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# **IDAHO MILITARY DIVISION ECONOMIC IMPACT STUDY**



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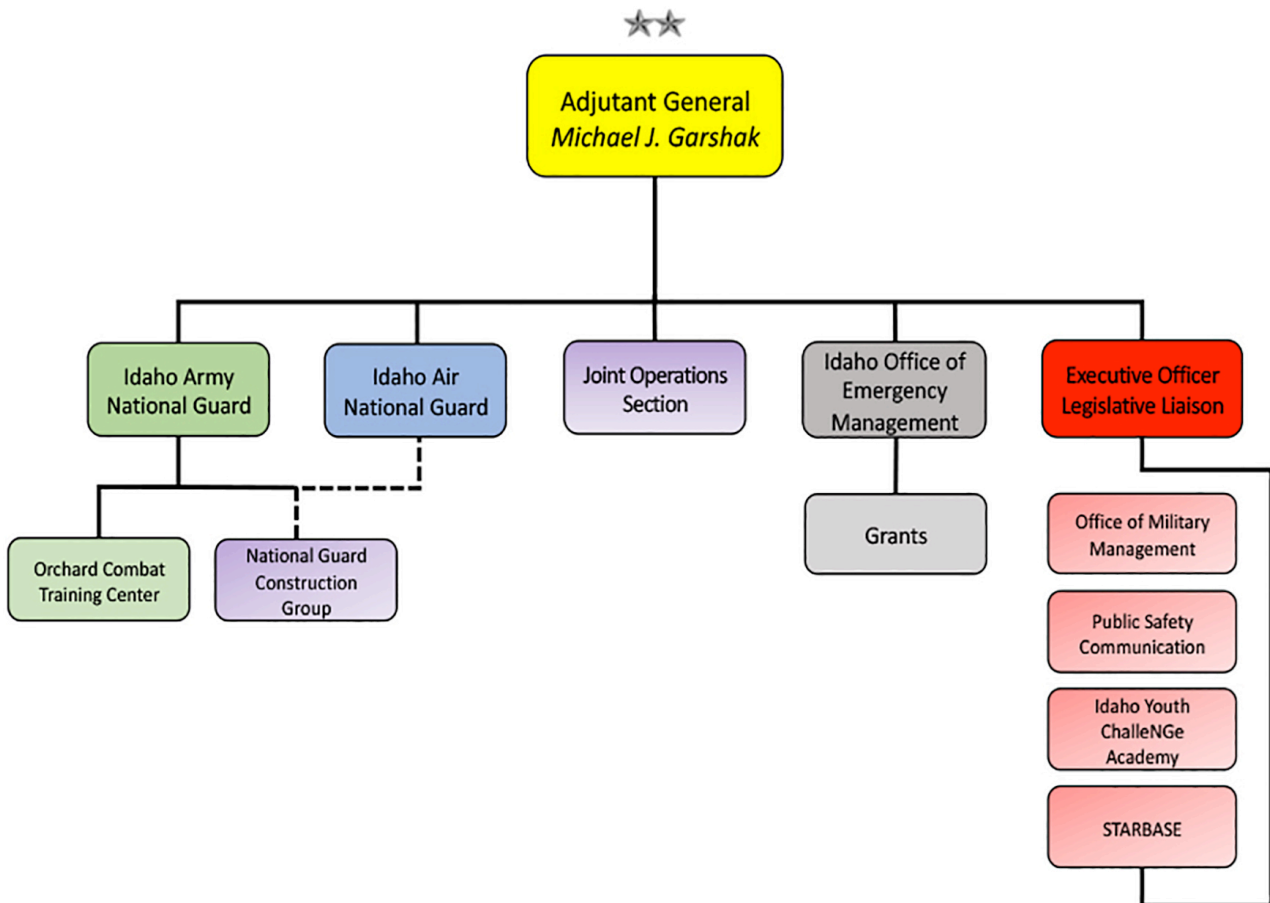
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# IDAHO MILITARY DIVISION ORGANIZATION CHART



## EXECUTIVE SUMMARY

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### *Idaho Military Division Contributes More Than \$658 Million Per Year to Idaho's Economy*



## INTRODUCTION

Every business or entity within a specific economy has impacts on that economy that go beyond its direct spending. This study will analyze the economic impacts of the Idaho Military Division and its various components, including the Idaho Army National Guard and Air National Guard, on the economy of the State of Idaho and its tax revenues.

It is easy to underestimate both the services the IMD provides and its value as an economic engine of substantial proportions. This study will analyze just how much the IMD contributes to Idaho's economy and what that economy would look like should the IMD not exist. The findings can be characterized as the IMD's economic footprint.

The IMD is a state agency funded primarily by federal dollars. It is under the command of Idaho's Adjutant General, Michael J. Garshak, who serves the commander in chief, Idaho Gov. Brad Little. When federalized, the President of the United States becomes the Idaho National Guard's commander in chief.



**Gov. Brad Little and Maj. Gen. Michael Garshak at the State Capitol Building.**

The Idaho Military Division's commitment to the community is codified in the adjutant general's three strategic imperatives: to maintain combat readiness to fight and win our nation's wars when called upon; to continue developing and strengthening our homeland security and emergency response readiness; and to continue building and fostering partnerships throughout Idaho, the nation and the world.

The mission of the Idaho Military Division is to maintain combat and domestic emergency response readiness in the Idaho National Guard; and guide the state, through the Office of Emergency Management, in effectively preparing for, responding to and recovering from all hazards. The division also provides a fully accredited residential high school with the Idaho Youth Challenge Academy, in order to intervene in and reclaim the lives of at-risk Idaho youth.



**Cadets graduate from the Idaho Youth Challenge Academy.**

Our vision is to remain Idaho's premier public service organization; attracting our leading citizens, promoting a safe and secure environment for our state and nation.

The Idaho Military Division is comprised of the Idaho Army National Guard, the Idaho Air National Guard, the Idaho Office of Emergency Management, Public Safety Communications, the Idaho Military History Museum, the Idaho Youth ChalleNGe Academy and STARBASE. The division's headquarters is located on Gowen Field in Boise with facilities spread throughout the state in nearly two-dozen communities. Its far-reaching presence throughout Idaho provides a critical emergency response capability in times of crisis and disaster.

The Idaho Army National Guard is comprised of four Major Subordinate Commands: 116th Cavalry Brigade Combat Team, 1st of the 183rd Aviation Regiment which includes the 168th General Support Aviation Detachment, 204th Regional Training Institute, and the Idaho Army National Guard Training Center which manages Gowen Field and the Orchard Combat Training Center. These commands train to maintain combat readiness; provide state and regional support in emergencies; train and educate various members of the military and partner-countries in leadership and combat arms; and manage the Orchard Combat Training Center.



**Idaho Army and Air National Guard conduct joint training on the ground and in the sky.**



The Idaho Air National Guard is comprised of the 124th Fighter Wing, Joint Force Headquarters, and the 266th Range Squadron. Under the 124th Fighter Wing's command are 13 squadrons/flights supporting many functional areas for their state and federal missions, such as the 190th Fighter Squadron, the Air Support Operations Squadron, Logistics Readiness Squadron, Civil Engineering Squadron, Security Forces Squadron and Cyber Operations Squadron. The 266th Range Squadron supports the Department of Defense with world-class electronic warfare training and air battle management for U.S. and coalition warfighters as an Air National Guard tenant unit located at Mountain Home Air Force Base.



**Idaho National Guard citizen-Soldiers and Airmen train at the Orchard Combat Training Center.**

The Idaho National Guard also manages the 101st Civil Support Team, working as partners with Idaho's six regional HAZMAT teams and federal responders.

But the IMD does more than provide combat-ready forces and state emergency response capabilities; it also provides jobs and contributes substantially to the economy of Idaho and to its tax revenues. Those contributions are at the heart of the present study.

With more than 100 facilities in more than two dozen communities, the IMD's reach is statewide. Its intangible impacts go far beyond the purely financial, which are often the sole focus of an economic analysis. Long-term, its impact will almost certainly grow as the Orchard Combat Training Center is expanded and seven regional readiness centers are built around the state.

This study will analyze the economic impacts of the IMD's major components in individual sections. A separate section will offer an overview of the intangible benefits the IMD and the National Guard provide to Idaho citizens, and a final section will summarize the results of the study.



**The Orchard Combat Training Center is a premier joint combined arms training site near Boise.**

### ***SCOPE OF THE STUDY***

This study looks at the economic contributions of the IMD as a whole and of its major components, including the IDARNG, the IDANG, the

IOMM, the IOEM, Public Safety Communications, the Idaho Youth ChalleNGe Academy, two major grant programs, and *STARBASE-Idaho*, as well as the impact of Idaho National Guard construction projects.

The study was conducted between September 1, 2020, and July 31, 2021. Unless specified, all data is FY 2020, and all impact numbers are expressed in 2020 dollars.

## ***METHODOLOGY***

The study uses data supplied by the IMD and some derived from other sources. Once the direct expenditures are determined, the data are fed into an Input-Output model called IMPLAN explained in Section I of the full study (not included in the executive summary). The model creates what is essentially a reproduction of the supply chain, incorporating backward and forward linkages to arrive at the indirect and induced economic impact of direct spending. These backward and forward linkages are familiar to most people as the supply chain or the “ripple effect” and are further defined in Section I. The direct, indirect and induced impacts are added together to produce a total impact number, which can be described as the IMD’s economic footprint in Idaho.

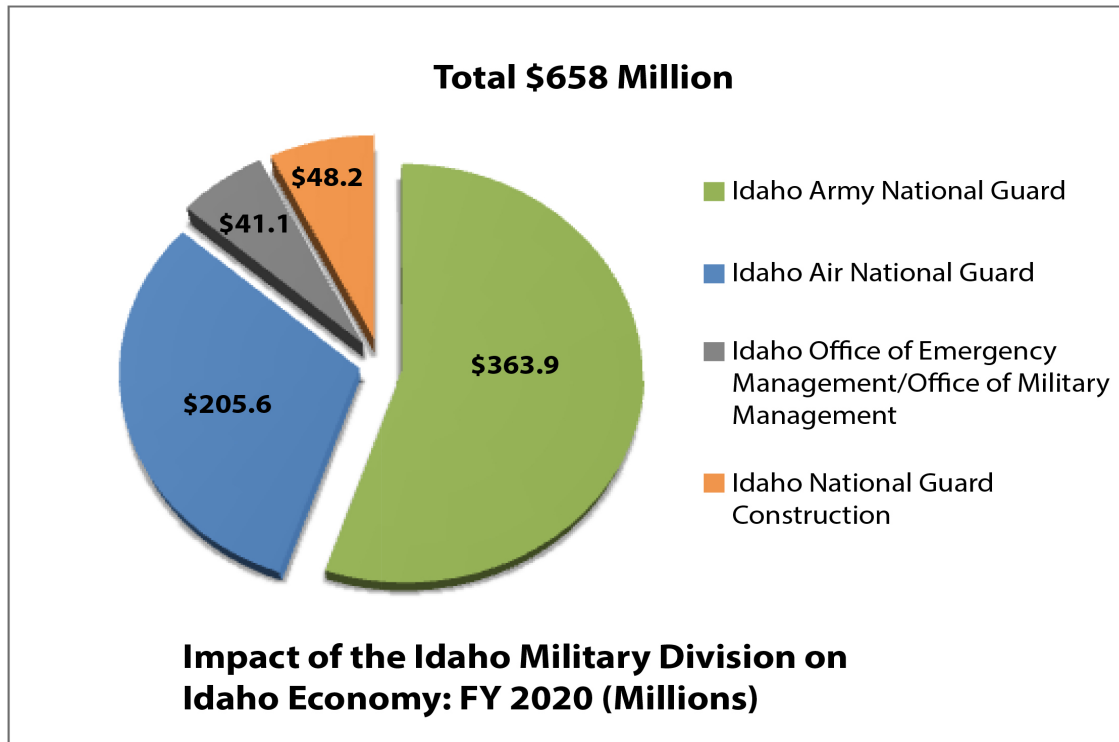


**An Idaho Air National Guard A-10 Thunderbolt II in action.**

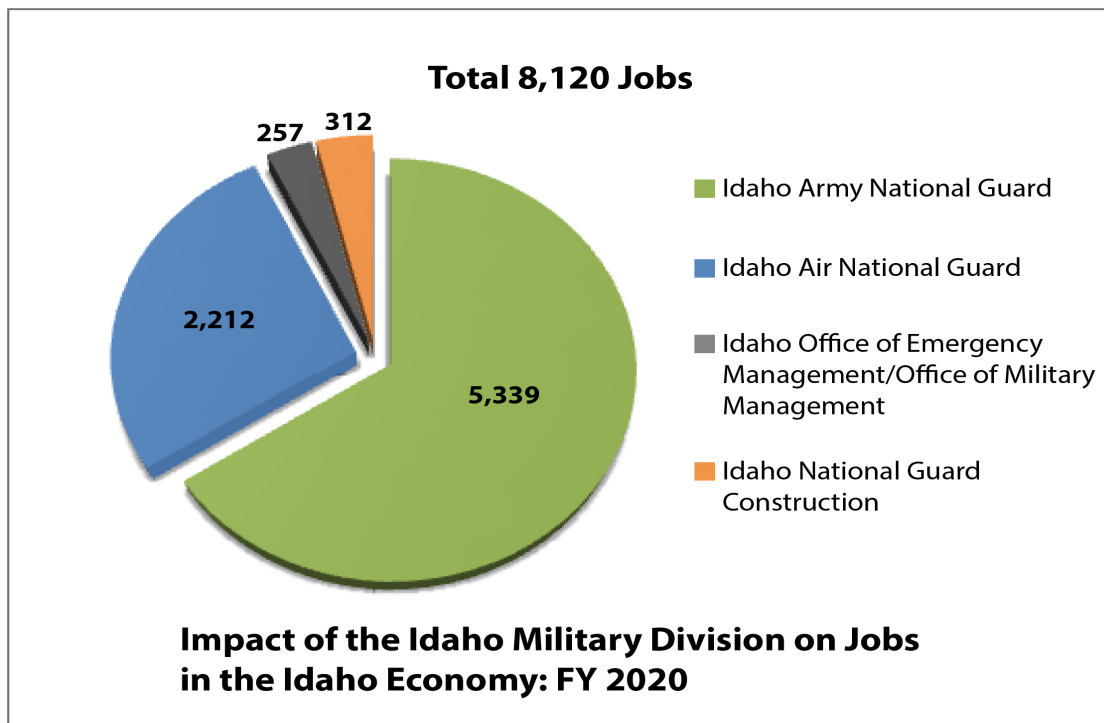


## SUMMARY OF RESULTS

The study found that the IMD's overall annual economic contribution to the State of Idaho is more than \$658 million dollars and 8,120 jobs. The IMD is a major economic engine for employment. It directly employs more than 6,400 people and is indirectly responsible for nearly 1,700 additional jobs.



TOTAL ECONOMIC IMPACT IDAHO MILITARY DIVISION FY 2020 (millions)				
	Direct	Indirect	Induced	Total
Army Guard	\$224.9	\$15.6	\$123.4	<b>\$363.9</b>
Air Guard	\$129.0	\$2.2	\$74.5	<b>\$205.6</b>
Military Management	\$25.8	\$0.2	\$15.2	<b>\$41.1</b>
Construction	\$27.7	\$10.7	\$9.7	<b>\$48.2</b>
<b>TOTAL</b>	<b>\$407.4</b>	<b>\$28.7</b>	<b>\$222.7</b>	<b>\$658.8</b>



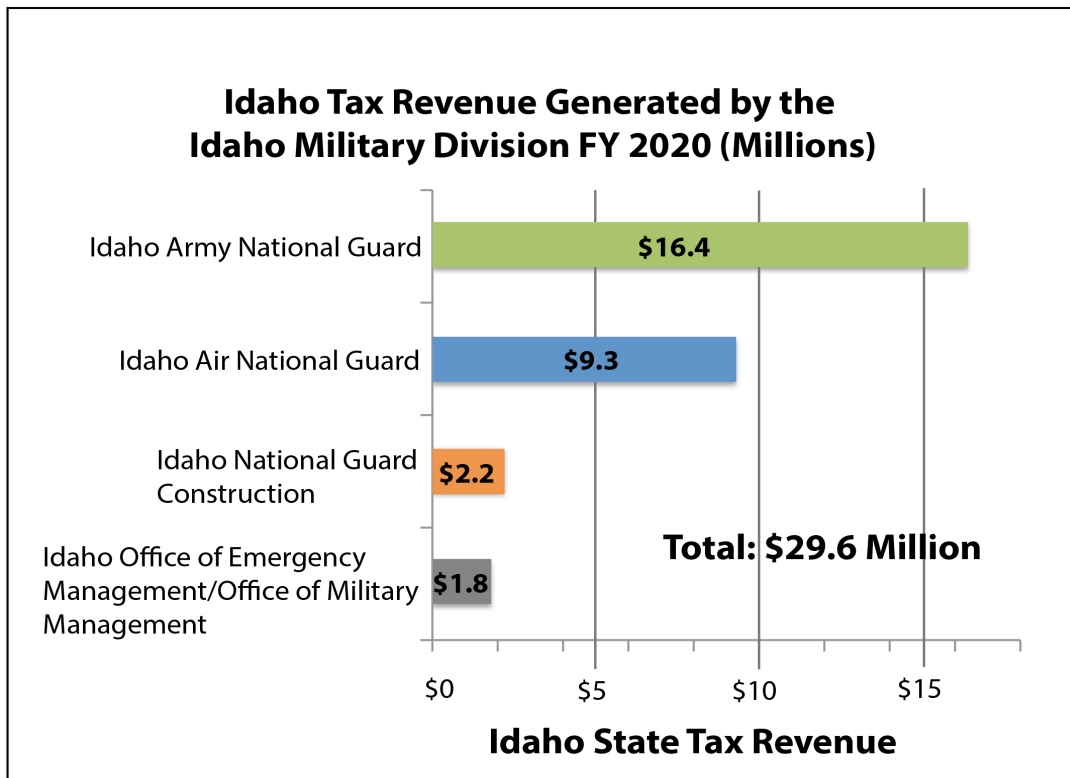
The direct 6,452 jobs make IMD the state's 4th largest employer behind St. Luke's, Walmart and Micron Technology, but ahead of BYU-Idaho, Boise State University and St. Alphonsus.

TOP PUBLIC & PRIVATE BUSNIESS IN IDAHO		
RANK	PRIMARY NAME	EMPLOYMENT RANGE*
1	St. Luke's Health System	13,000+
2	Walmart	7,000+
3	Micron Technology, Inc.	6,000+
<b>4</b>	<b>IDAHO MILITARY DIVISION</b>	<b>6,452</b>
5	BYU-Idaho	5,000+
6	Boise State University	5,000+
7	St.Alphonsus Health System	5,000+
8	University of Idaho	4,000+
9	West Ada School District #2	4,000+
10	Battelle Energy Alliance LLC	4,000+
*Source: Quarterly Report of Employment & Wages, Idaho Department of Labor		

## ***FISCAL IMPACTS***

A thorough fiscal analysis is beyond the scope of this study, but some estimates can be made as to how much the IMD contributes to Idaho's tax revenues. Although the IMD as a unit of state government does not itself pay taxes, most of the businesses linked to IMD are tax-paying entities, and people employed directly or indirectly by the IMD pay taxes on their income and purchases.

The 2017 study estimated that 5% of the total economic impact would be returned to the state in the form of tax revenues. We took a slightly different approach, dividing FY 2020 total state tax revenue by the Gross State Product (GSP) of Idaho and arrived at an estimated expenditure-to-tax ratio of 4.5%. This slightly more conservative number is used throughout the current study.



Using that formula, the study finds that the IMD generates nearly \$30 million a year in tax revenues while receiving approximately \$7 million from the state's general fund. This number represents approximately three times the Idaho general funds the agency uses, making it significantly more than self-sustaining.

## ***SUMMARY***

All told, the study finds that the IMD as a whole, including the Idaho Army National Guard and Air National Guard, contributes more than \$658 million annually to Idaho's economy. It is the state's 4th largest employer, ultimately responsible for more than 8,120 jobs. It also pays its own way, contributing far more to Idaho's tax revenues than it costs to run the division.



**The Idaho Military Division provides 8,120 jobs to the men and women of the State of Idaho.**

## SECTION I: METHODOLOGY

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An economic impact study such as this looks at the change in economic activity within a region as a result of the presence or absence of a business, an organization or other entity, or some other change in social or economic conditions. Technically speaking, it looks at the marginal change in the economy from a base condition.

In this case, the economic region is defined as the State of Idaho, and the entity is defined as the Idaho Military Division (IMD), which includes the Idaho Army National Guard, the Idaho Air National Guard, the Idaho Office of Military Management, the Idaho Office of Emergency Management, the Idaho Office of Public Safety Communications, the Idaho Youth Challenge Academy and *STARBASE – Idaho*, as well as several smaller components.



**The STARBASE – Idaho program provides fifth grad students with STEM curriculum.**

Using data and modeling, the study analyzes the economic contributions each major component of the IMD and the IMD as a whole make to



Idaho's economy. To put it in reverse, the study examines what Idaho's economy would look like today if it did not have the IMD. The difference in the resulting numbers can be considered the Idaho Military Division's "economic footprint."



**An aerial view of the Orchard Combat Training Center.**

The study's foundation rests on financial data from the IMD and other sources, and utilizes what is called an Input-Output model. The theory of Input-Output models goes back to the 1950s, and is based on the concept that all industries within a given economy are linked, so that the output of one business or industry becomes the input of another. There are both backward and forward linkages, depending on whether the business is a supplier or a user of the entity's product or service.

Most people would describe this concept as the "supply chain" or the "ripple effect," and it can be measured quite precisely using economic modeling.

The IMD is unique among businesses in that its product is national defense and emergency response, rather than a product sold in the marketplace. Its linkages – or multiplier effects – are therefore limited. Despite those limitations, the IMD turns out to be a rather large and important economic engine for Idaho.

Because of the linkages described above, the economic impacts of a given business are very rarely limited to the actual expenditures of that business within the defined economy. Rather, the direct spending of the business results in spending by other entities and creates what are called indirect impacts, while the routine spending of the business's employees and the employees of its linked entities result in what economists call induced impacts. When direct expenditure data is fed into an Input-Output model, we are able to pinpoint these other impacts, and thus arrive at the total economic impact of the entity under analysis.

This study uses an Input-Output model called IMPLAN (Impact Analysis for Planning) which contains a set of county specific data derived from 505 separate sectors of the U.S. economy. It is maintained by the IMPLAN Group, LLC. The version of IMPLAN used in this study was calibrated specifically for Idaho.

The model takes direct expenditure data and creates what economists call "multipliers," which in turn produce concrete numbers for the entity's direct, indirect, induced and total economic impacts.

*Direct impacts are expenditures made by an entity within a defined economy. In this case they are the expenditures made by the Idaho Military Division, including the National Guard and its other components, within the economy of Idaho.*

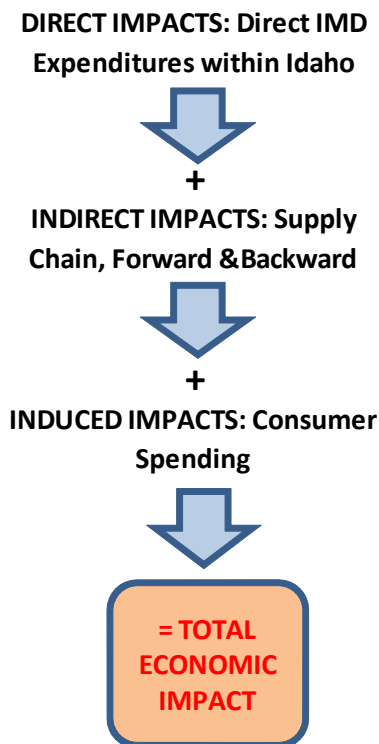
*Indirect impacts are changes in economic activity made by businesses providing goods and services to, or using the services of, the Idaho Military Division. Many of these businesses can be considered contractors. Indirect effects can be either forward or backward linkages, or, to use an example, a company that supplies a certain part, or a contractor who uses the IMD's services.*

*Induced impacts are expenditures made by IMD employees and the employees of backward- and forward-linked businesses, who use their salaries, wages and other benefits to purchase goods and services within the Idaho economy.*

*Total impacts are, as the name suggests, the total of direct, indirect and induced impacts on the defined economy.*



An economic multiplier indicates the degree to which spending in one sector of the economy is 'multiplied' or increased as it works its way through other sectors of the economy. The end result is greater than the initial amount spent. For example, if a corporation builds a factory, it will employ construction workers and their suppliers who will in turn spend a portion of what they receive. This effect is more commonly known as the "ripple effect," and can be calculated with precision using an input-output model calibrated for the economy being studied. The graphic that follows demonstrates how the various kinds of impacts lead one to another and finally to the total impact of the entity on the defined economy.



As noted above, there are certain limitations on both the forward and backward linkages of the IMD, in that many of its supplies are manufactured or sold from out of state, and its mission is national security and disaster response, not to manufacture a product for sale in the general market. Nonetheless, the IMD has a large economic footprint

in Idaho, magnified by the fact that it is a state agency supported largely by federal dollars.

The contrast can be seen by considering a more traditional business that makes a product for sale, let's say a widget. The expenditures for employees, for widget parts, and for the various costs of operating the shop are all direct impacts. Indirect impacts, again, can be either backward or forward linkages. Supplying the parts for the widgets is a backward linkage, as are the utilities and other services needed to run the shop. On the other hand, the expenses of the businesses that sell the widgets – or in this case, use the services of the IMD – are forward linkages.

Finally, the employees of the businesses involved in making and selling the widgets receive wages and spend them primarily in the local economy. These are the induced impacts, and in IMD's case, they work very much as any business would.

Economic impact studies, by their very nature, measure only the activity within a defined region, in this case the State of Idaho. Purchases made outside the state do not count as impacts; rather, they are what economists call *leakages* from the defined region's economy. In general, the smaller the region the more it will leak, which reduces the economic multipliers used to define an entity's impact. That makes sense because a state like Idaho, with its many rural counties, does not have as complete a set of economic sectors as do states like California and New York or the United States as a whole, so many things must be made out of state.

As to taxes, a detailed fiscal analysis is beyond the scope of this study, but some conclusions can be drawn. As explained earlier, the 2017 study assumed that 5% of total economic impact would be returned to the state in the form of taxes. We took a slightly more conservative approach, dividing FY 2020's total state tax revenues by the Gross Domestic Product (GDP) of Idaho, for an estimate of 4.5%.

To summarize, this study uses expenditure data and economic modeling to answer the question *“What would the State of Idaho’s economy look like today in the absence of the Idaho Military Division and its various components, including the Idaho National Guard?”*



**A Soldier from the Idaho Army National Guard trains through clouds of green smoke.**

## ***SECTION II: ECONOMIC IMPACTS OF THE IDAHO ARMY NATIONAL GUARD***

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### ***INTRODUCTION***

The Idaho Army National Guard (IDARNG) is the largest component of the Idaho Military Division, consisting of more than 4,400 full-time, part-time and seasonal employees, stationed in more than 20 Idaho communities.

Its missions are to maintain combat readiness, strengthen homeland security, and respond to disasters and other emergencies in Idaho and around the world. It also builds and fosters partnerships with law enforcement, schools and other entities throughout Idaho.



**In 2020 helicopters and crews assisted California fight wildfires.**

The Idaho National Guard Soldiers and Airmen are capable of responding not just to Federal Emergencies but State Emergencies as well. Idaho National Guard Soldiers and Airmen are trained in firefighting, medical support, security support, and rescue. In 2020, the Idaho Army National Guard sent three helicopters and some two dozen Aviators and crew to California to fight wildfires.

Search and rescue operations are also part of the job: in 2020, the Idaho Army National Guard's State Aviation Group, in partnership with firefighters and other personnel, responded to six emergency calls around the state, rescuing three stranded rafters from the South fork of the Boise River, transporting a man who had collapsed while hiking at 10,000 feet, rescuing a hiker in the Sawtooth Range, and using their hoists to transport people involved in an ATV accident to medical personnel in Idaho City.

Army National Guard soldiers serve both country and community. The IDARNG places a high priority on community service, and in 2020, did much to help fight the corona virus pandemic. They worked at overwhelmed food banks and rescue missions around the state, loading and unloading trucks, sorting and boxing food and making deliveries. They also assisted local health care workers, doing screenings, transporting patients and helping with decontamination.

This Section summarizes the study's findings with regard to the economic impact of the Idaho Army National Guard. Unless otherwise specified, all data are FY 2020 and all economic impact numbers are expressed in 2020 dollars.

## ***SUMMARY OF FINDINGS***

The Idaho Army National Guard is a unit of state government driven almost entirely by federal dollars, most of which are spent in Idaho. Given that, and with its size and varied missions, the IDARNG has a large footprint all across Idaho, and, like all businesses, it has economic impacts that go beyond its direct spending.

The kinds of impacts that economists use to arrive at a total number are explained in more detail in Section I, but in a nutshell, *direct impacts* are just what they sound like – direct expenditures by the IDARNG. *Indirect impacts* occur when individuals and businesses spend money in response to IDARNG’s needs, as a business might hire extra employees or buy materials to supply certain items to IDARNG, or use IDARNG services. *Induced impacts* occur when IDARNG personnel and its related employees spend their salaries, allowances and benefits within the Idaho economy. These impacts, added together, measure an entity’s total effect on the economy.

In the IDARNG’s case, this study found that every million dollars spent in Idaho generates an additional \$600,000+ thousand as it circulates in the state’s economy through direct, indirect and induced impacts. Its multiplier, then, is 1.62.

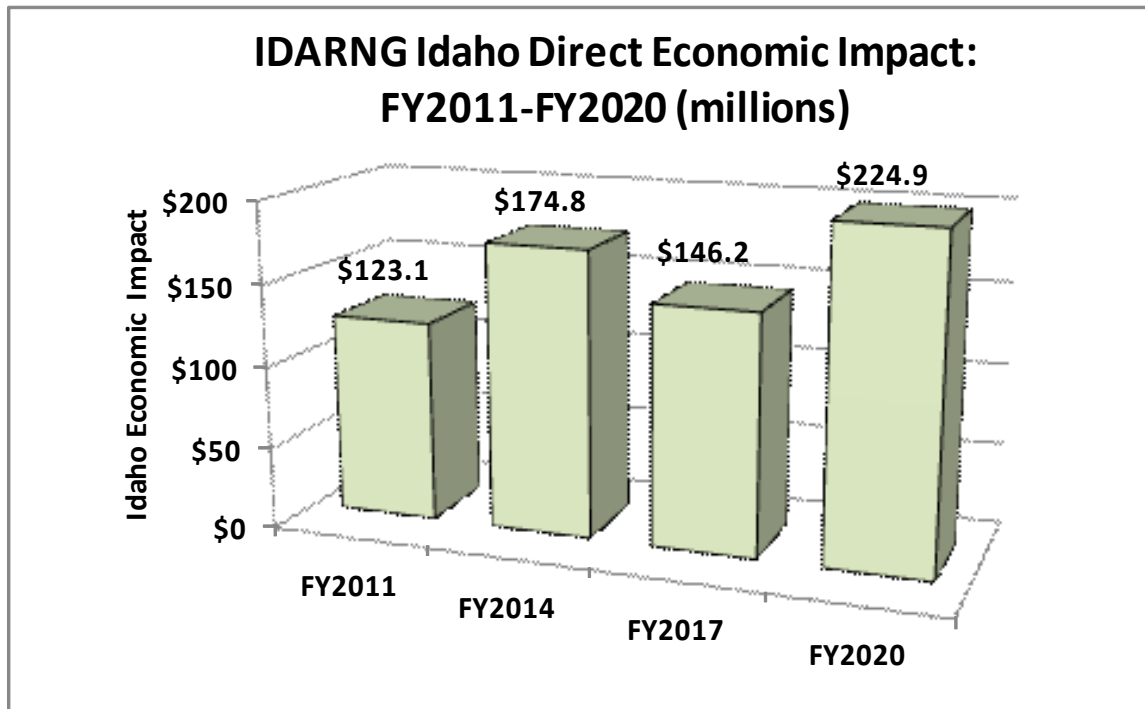
The study utilizes the IMPLAN Input-Output model, calibrated specifically for Idaho. Using data supplied by the Idaho Military Division, it finds that actual spending within Idaho by the IDARNG in FY 2020 was \$224.9 million. Those dollars went directly into the state’s economy.

The direct spending data are then fed into the model, which calculates the indirect and induced economic effects those direct expenditure dollars produce. All told, the study finds that the Idaho Army National Guard has a total economic impact on Idaho’s economy of \$363.9 million a year.

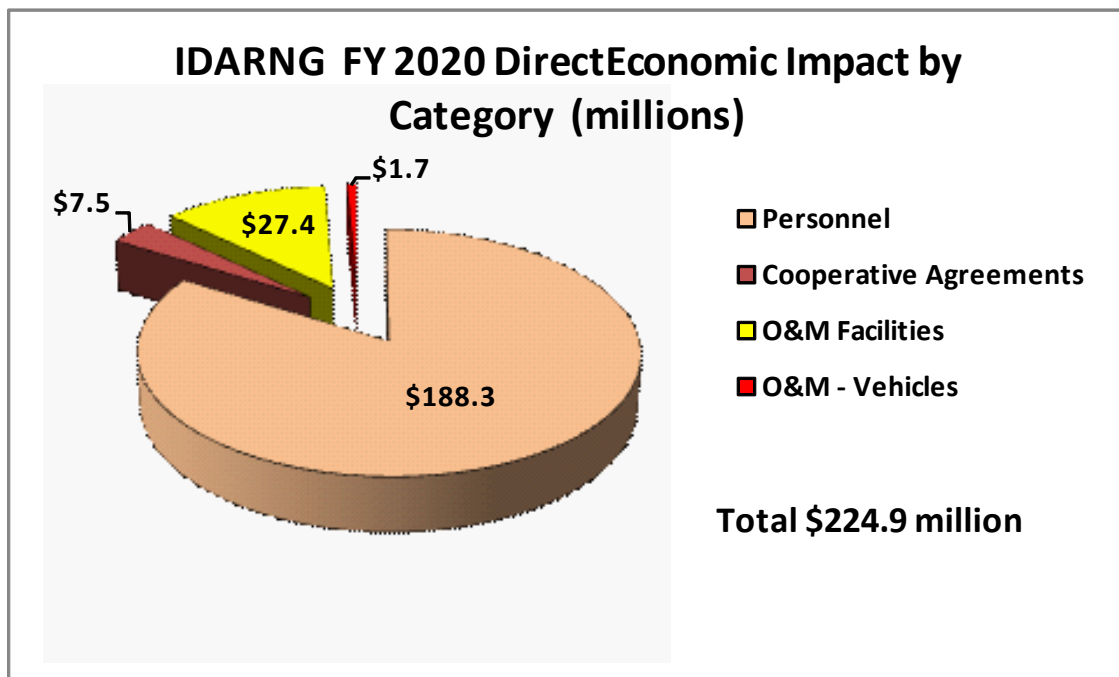
## ***DIRECT IMPACTS***

The study finds that the level of direct spending by the IDARNG has generally risen across the various studies that have been done. In FY 2011, the comparable number was \$123.1 million. Part of the difference is explained by how many soldiers were deployed each year, since when personnel are deployed, much of the economic impact is felt where they are stationed rather than where they come from.





Direct economic impact is also seen in the number of people an entity employs. Because most parts and materials used by IDARNG are supplied through federal contracts, most of its direct spending in Idaho went into labor costs.



The Idaho Army National Guard directly supplies more than 4,400 full-time, part-time and seasonal jobs. Some 640 employees are dual status,



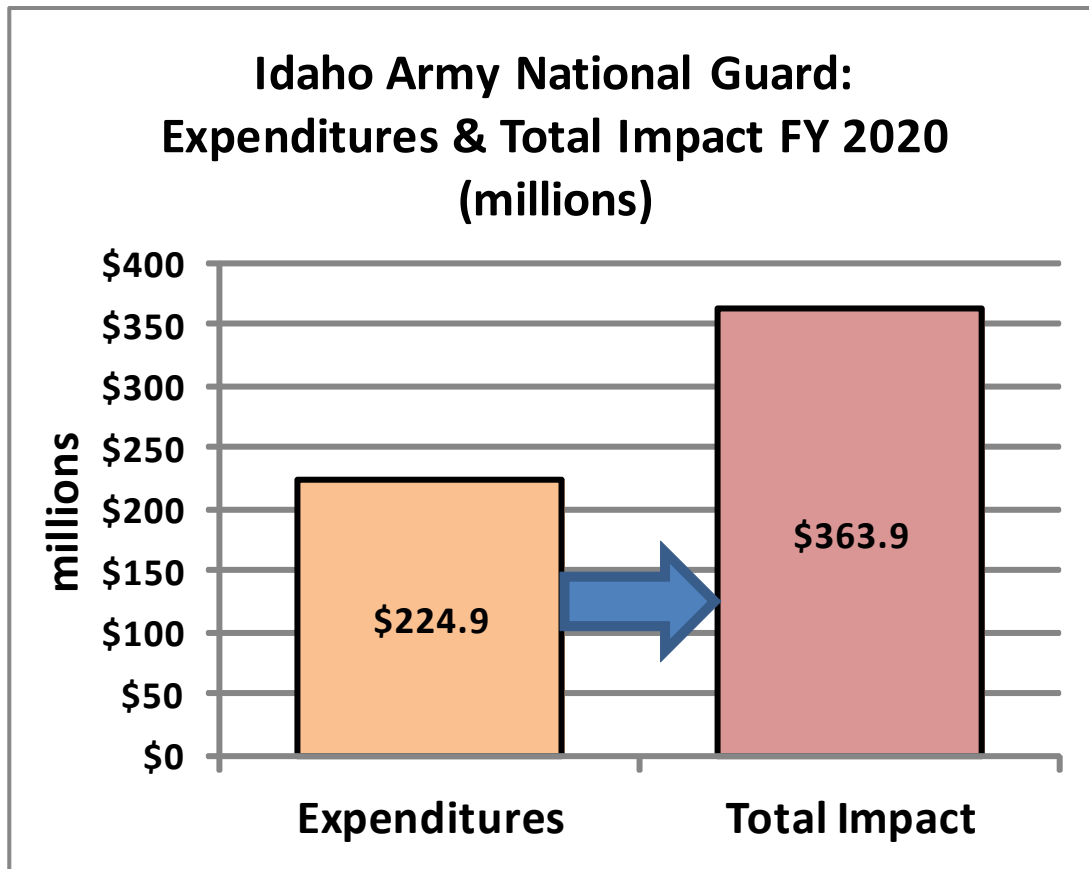
meaning they serve in the National Guard and at the same time hold full- or part-time jobs.

### ***TOTAL ECONOMIC IMPACTS***

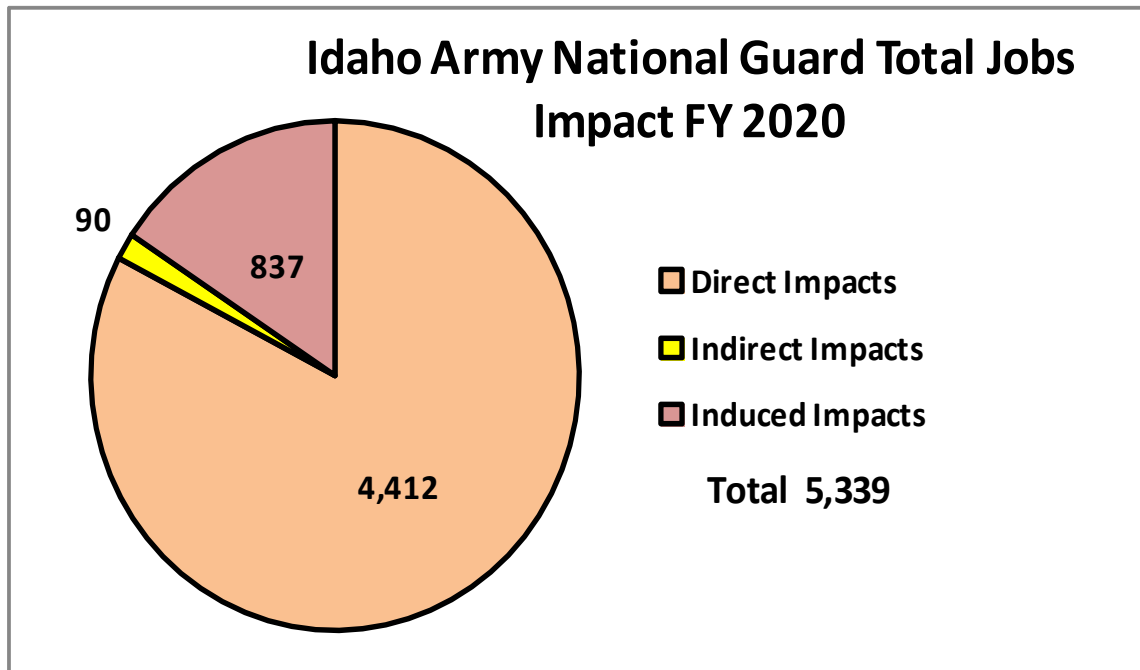
This study utilizes an Input-Output model called IMPLAN, calibrated specifically for Idaho. When the direct spending number of \$224.9 million discussed above is fed into the model, it calculates multipliers for the indirect and induced economic effects, producing a number for the total impact of the Idaho Army National Guard.

As explained in Section 1, indirect effects are the backward and forward linkages between the entity being analyzed and its suppliers and customers. Backward linkages are limited in the case of the National Guard because while the Guard tries always to buy local, some supplies and equipment are, of necessity, manufactured out of state. Forward linkages are also limited because the IDANG's business is national defense; it does not produce a product for sale in the marketplace. Induced effects are the economic activities that occur when an entity's employees, and the backward- and forward-linked employees of its suppliers and customers, spend their salaries, wages and benefits in the local economy.

The study finds that every \$1 million IDARNG spends creates another \$600,000+, for a total economic impact of just under \$364 million. Its multiplier, then, is 1.62.



Using the figure of \$224.9 million in direct spending, the IMPLAN model calculates the indirect and induced impacts in terms of total economic impact, as shown above, and also in terms of jobs. The model finds that the 4,412 jobs directly provided by IDARNG created another 927 jobs, for a total of 5,339.



### ***FISCAL IMPACTS***

A detailed fiscal analysis is beyond the scope of this study, but some conclusions can be drawn. As a unit of state government, the Idaho Army National Guard does not pay taxes, but many of its allied businesses do, as do their employees.

The 2017 study used a tax revenue figure of 5 % of total expenditures, as reported by the Idaho Division of Financial Management. This study uses a different formula, derived by dividing Idaho's gross domestic product by Idaho's annual tax revenues, which produces a slightly more conservative expenditure-to-tax ratio of 4.5%.

Applying this formula to IDARNG yields an estimate of at least \$16.4 million in state tax revenue, far more than the state spends to support it.

### ***THE ORCHARD COMBAT TRAINING CENTER***

The Orchard Combat Training Center (OCTC) covers 143,000 acres 18 miles south of Boise, within the boundaries of the Snake River Birds of Prey National Conservation Area. It has been used by the Idaho

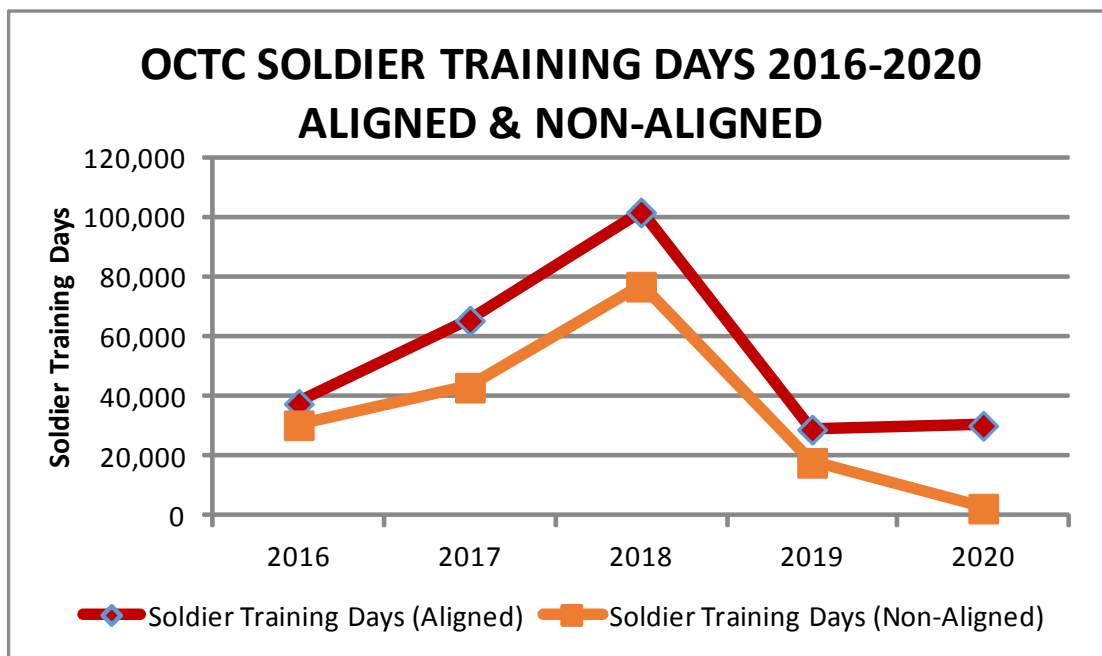
National Guard and Army Reserve since 1953. Its four-season climate is ideal to prepare Brigade Combat Teams and other units for combat in a tough and realistic environment. It is also a unique area in that military training shares the land with environmental scientists, grazing cattle and public recreation. In addition to the training facility itself, the primary structures located at the OCTC are range towers and control facilities, a helicopter pad, medical evacuation building, barracks, and maintenance buildings.

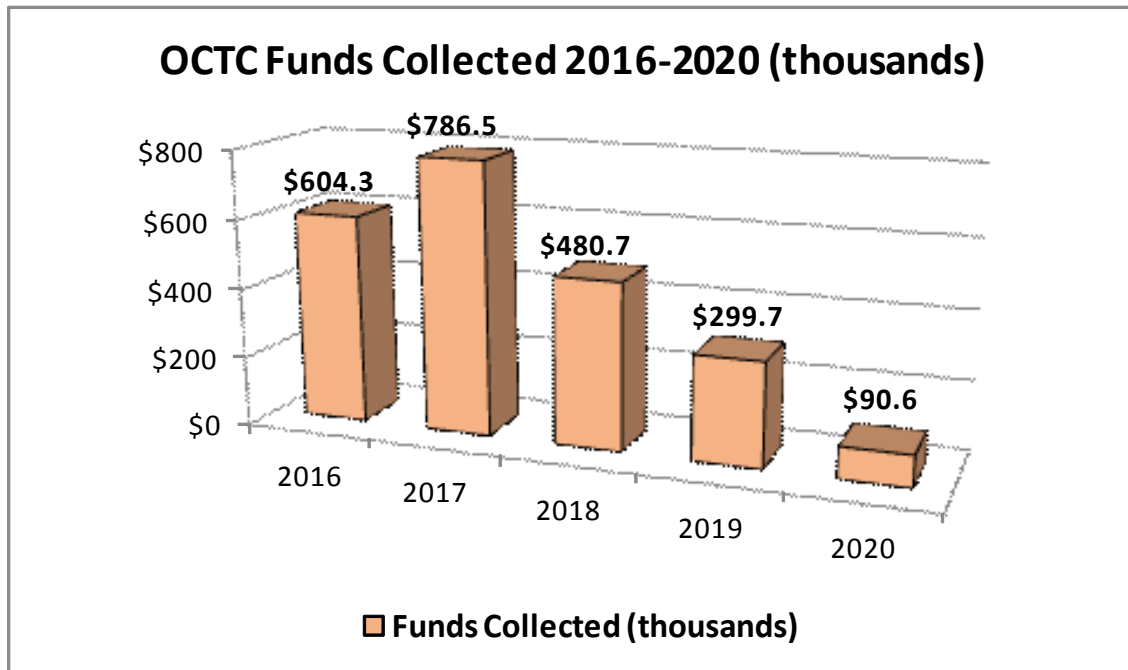


**Tanks and Bradley vehicles utilize the OCTC ranges for training.**

The OCTC is a major training site for the Idaho National Guard and provides a facility for use by any reserve or active unit for periodic training. Units from Nevada, Montana, Oregon and Washington regularly use the facility. In recent years, however, its usage has varied greatly.

From a peak of nearly 180,000 training days in 2018 the number of days has declined dramatically, first due to construction and then to the impact of COVID 19. Only non-aligned units pay compensation for use of the facility and, as expected, the payments have declined, from \$786,504 in 2017 to \$90,561 in 2020.





For the purposes of this report, visiting unit expenditures are excluded because they have varied so much over the past five years and are currently de minimus. The future is also uncertain because of the potential impacts of construction under a planned major expansion of the facility.

It is reasonable to assume that the direct economic impact may at some point in the future become significant again, and somewhat more predictable.

## ***SUMMARY***

In all, the study finds that the Idaho Army National Guard has a total economic impact on the State of Idaho of just under \$364 million, is responsible for more than 5,300 jobs, and generates tax revenues of more than \$16 million, substantially more than it costs Idaho taxpayers to maintain it.

## SECTION III: ECONOMIC IMPACTS OF THE IDAHO AIR NATIONAL GUARD

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### INTRODUCTION

The Idaho Air National Guard (IDANG) is the second-largest component of the Idaho Military Division. The IDANG specializes in Close Air Support (CAS), Forward Air Control and Cyber Operations. It operates and maintains the A-10 Thunderbolt II Aircraft, colloquially known as the Warthog.

When the Air National Guard is not federally activated, it is under the command of Idaho Gov. Brad Little. When it is federalized, it is then part of the United States Air Force, under the command of the President of the United States.

The primary mission of the IDANG is to provide combat-ready personnel to the U.S. Air Force, including pilots, maintenance personnel, medical technicians and engineers. It also has the capability to provide personnel to the State of Idaho when the governor requests them for such tasks as search and rescue operations and disaster response. In FY 2020, the IDANG was activated by Gov. Little to assist in fighting the corona virus pandemic.

In one form or another, the Idaho Air National Guard has been in continuously active service since 1947. Its presence in Idaho has been felt many times: in 1976,





when its jets tracked floodwaters from the Teton Dam, allowing nearby residents to be informed quickly; and again in 1983, when its aerial photographs of the Borah Peak earthquake allowed emergency response crews to locate and evaluate the damage. More recently, it has assisted in fighting wildfires around the West.

The IDANG has served in support of multiple operations around the globe as well. In 1993 it was deployed to Southwest Asia to enforce the no-fly zone over southern Iraq. The Fighter Wing has been deployed to the Persian Gulf area multiple times since then and was part of the initial push into Iraq in 2003. In 2016, the 124<sup>th</sup> Fighter Wing won the prestigious Spaatz trophy as the “Best Flying Unit in the Air National Guard” during its largest and longest deployment in its history.

In 2020, soldiers with the 124<sup>th</sup> Fighter Wing were sent to 13 different countries, including Afghanistan, Iraq, Jordan, Kuwait, Nigeria, Djibouti, Germany, Tunisia, Qatar and the United Arab Emirates. It was the most diverse deployment in the history of the 124<sup>th</sup>.

## ***SUMMARY OF FINDINGS***

The Idaho Air National Guard is a unit of state government almost entirely funded by federal dollars. Given its size and varied missions, the IDANG has a large footprint, and economic impacts that go beyond its direct spending.

It is easy to underestimate both the direct and indirect impacts of a business or entity on the state’s economy. The Idaho Air National Guard may be particularly prone to underestimation because it does not produce a physical product. Nonetheless, it is a powerful economic engine within the State of Idaho.

The kinds of impacts that economists use to arrive at a total number are explained in more detail in Section I, but in a nutshell, *direct impacts* are just what they sound like – direct expenditures by the IDANG. *Indirect impacts* occur when individuals and businesses spend money in

response to IDANG's needs, as a business that might hire extra employees or buy materials to supply certain items to IDANG, or use IDANG services. *Induced impacts* occur when IDANG personnel and its related employees spend their salaries, allowances and benefits within the Idaho economy. These impacts, added together, measure an entity's total effect on the economy.

This study uses an Input-Output model called IMPLAN, calibrated specifically for Idaho. Using data supplied by the Idaho Military Division, the study finds that direct spending within Idaho by IDANG in FY 2020 was \$129 million. Those dollars went directly into the state's economy.

The direct spending data is then fed into the IMPLAN model, which calculates the indirect and induced economic effects those direct spending dollars produce. The study finds that the Idaho Air National Guard has a total economic effect on Idaho's economy of more than \$205 million annually. That means that for every million dollars spent by IDANG, another \$600,000 is created within the Idaho economy.

## ***DIRECT IMPACTS***

Direct economic impacts are the economic activities that flow directly from a business or project. In the case of the IDANG, the business is providing for our national security, with a secondary mission in emergency response.

The IDANG's direct economic impact in Idaho can be broken down into six categories. Three of them – personnel, training, and visiting unit expenditures – are calculated using actual FY 2020 spending data. Cooperative agreements, operations and maintenance, and fuel expenses are based on multiple-year averages to smooth out annual variations that occur largely because of changes in visiting unit spending.

Personnel expenditures – including wages, salaries and benefits – account for about 90% of IDANG's direct impact on the economy of

Idaho. The other 10% is broken down into operations and maintenance, contract costs, vehicle maintenance and fuel, training expenses, and expenses incurred by visiting units.

- Personnel: Includes salaries, allowances and benefits of Air Guard personnel, who may be state technicians, federal technicians, contract employees, or any of four military employee categories.
- Cooperative Agreements: Includes contracted expenses with IDANG's many partners, including the Boise Airport, law enforcement entities, schools, and other state and local agencies.
- Operations & Maintenance (O&M): Includes all maintenance expenses, grounds and janitorial services, utilities, and ongoing information technology purchases. In FY 2020 it cost \$4.9 million to operate, maintain and upgrade IDANG's 62 buildings at Gowen Field.
- Training Expenses: Includes lodging, meals, supplies and contracting costs for Air Guard training throughout the year. In FY 2020 training expenses were 430,000.
- Vehicle Maintenance and Fuel: Includes purchases of local parts with government purchase cards and delivery costs of federally contracted parts, as well as the delivery costs associated with aviation fuel, diesel and gasoline purchases. It includes the upkeep of some 306 wheeled vehicles, totaling \$537,000.
- Visiting Unit Expenditures: Includes lodging, per diem, and personal spending incurred by units visiting from outside of Idaho. Visiting aviation units often use Gowen Field for training exercises and funnel their costs into the local economy.

The following chart summarizes the direct economic impacts of the Idaho Air National Guard broken down into the six expenditure categories described above.

<b>Direct Impacts of the Idaho Air National Guard FY 2020</b>	
	Direct Expenditures (millions)
Personal	\$118.9
Cooperative Agreements	\$2.5
Operations & Maintenance (O&M)	\$6.1
Training Expenses	\$0.5
Vehicle Maintenance and Fuel	\$0.7
Visiting Unit Expenditures	\$0.2
<b>TOTAL</b>	<b>\$128.9</b>

### ***TOTAL ECONOMIC IMPACTS***

Once the direct impact data are obtained, they are fed into IMPLAN, an Input-Output economic model calibrated for Idaho and described in Section I. The model generates indirect and induced impacts as consequences of direct spending.

As explained in Section I, indirect effects are the backward and forward linkages between the entity being analyzed and its suppliers and customers. When a business hires an employee to meet the IDANG's need for a particular part, it would be a backward linkage since that job would not exist were it not for the IDANG. In this case, both backward and forward linkages are limited because so many supplies and equipment are manufactured out of state, and they do not produce a tangible product. Despite that, the indirect impacts of the IDANG are substantial.

Induced impacts result when employees of the IDANG and its impacted businesses spend their wages, salaries, allowances and benefits within

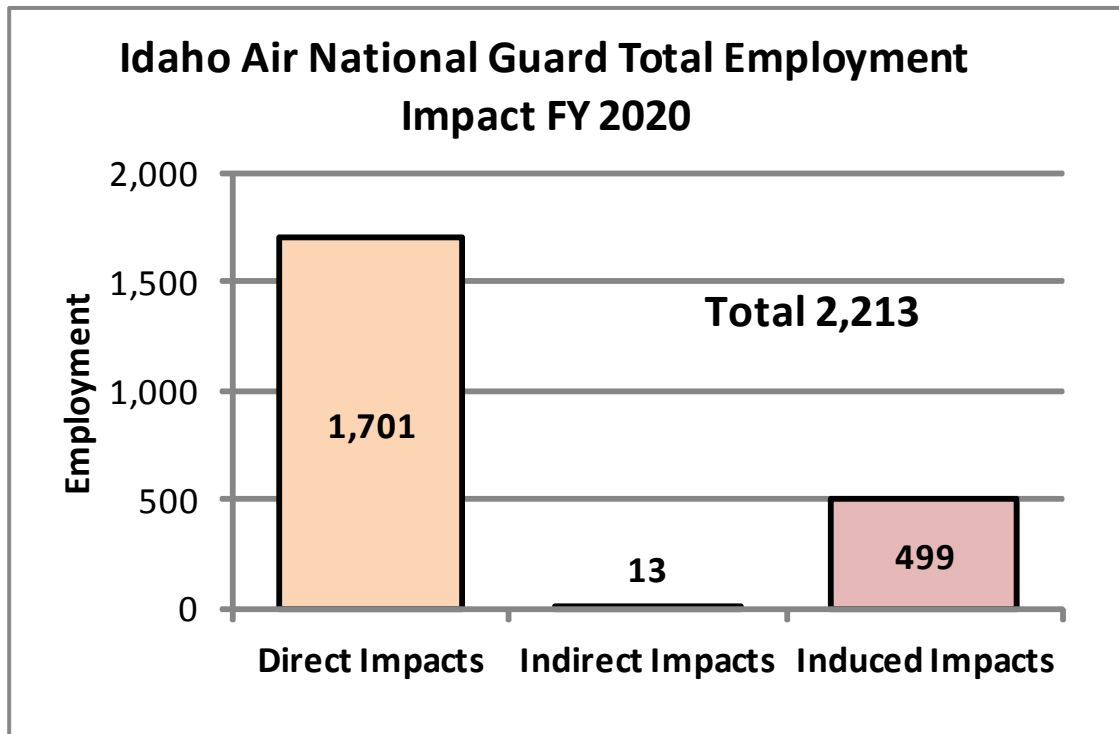
the Idaho economy. That spending in turn creates jobs and additional spending within Idaho.

An economic multiplier indicates the degree to which spending in one sector of the economy is ‘multiplied’ or increased as it works its way through other sectors of the economy. The end result is greater than the initial amount spent. For example, if a corporation builds a factory, it will employ construction workers and their suppliers who will in turn spend a portion of what they receive. This effect is more commonly known as the “ripple effect,” and can be calculated with precision using an input-output model calibrated for the economy being studied.

Because personnel costs make up the majority of most entities’ economic impact, we look at job numbers first. The IDANG employs over 1,700 people, with a payroll of about \$118.9 million a year. When indirect and induced impacts are added, it is ultimately responsible for more than 2,200 jobs within the state’s economy.

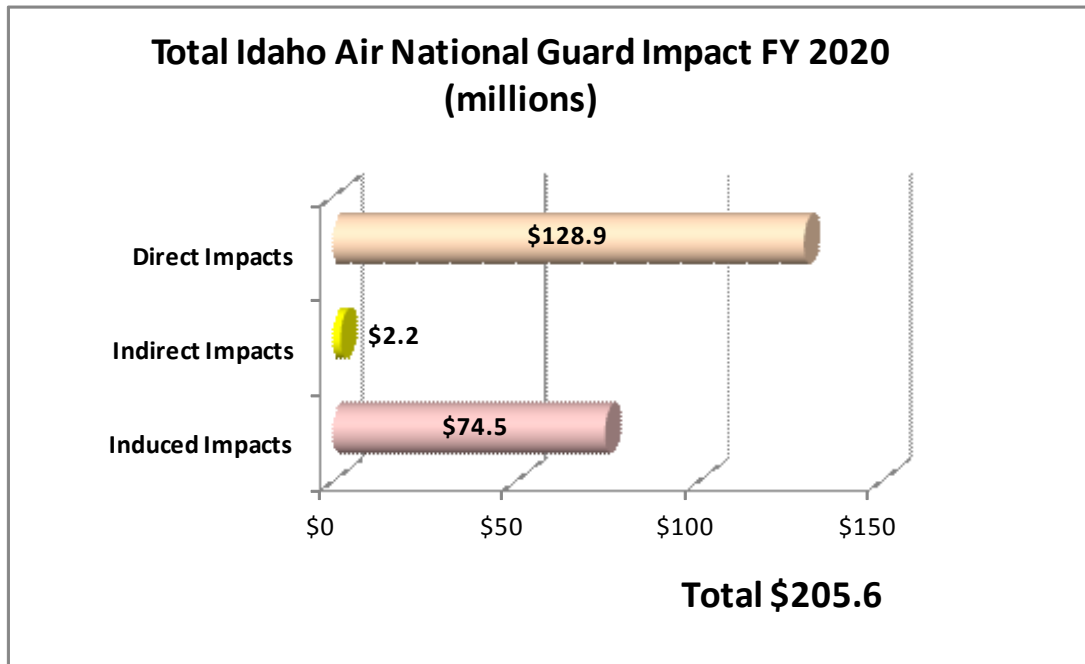


**Idaho National Guard A-10 Thunderbolt II flying high.**



Personnel costs account for the largest part of IDANG's economic impact, but other expenditures add up as well. These include things like parts needed to make items that are then sold to IDANG, and the costs associated with IDANG contracts and its Cooperative Agreements. When non-personnel expenditures are added to the payroll number, IDANG's total economic impact adds up to \$206 million a year. Of that number, about \$129 million comes in direct expenditures within the State of Idaho. From those dollars come indirect effects adding up to just over \$2 million, and induced effects of another \$74 million, totaling \$206 million annually.





### ***FISCAL IMPACT***

A detailed fiscal impact analysis is beyond the scope of this study, but some general conclusions can be drawn. As unit of state government, the Idaho Air National Guard does not pay tax. Many of the businesses linked to the IDANG's activities are taxpaying entities, however, and pay taxes in various forms. In addition, the people employed directly by the IDANG and indirectly as contractors also pay taxes on their income and purchases.

This study uses a conservative formula in which 4.5% of total expenditures translate into tax revenues for the state. Applying this formula to the IDANG yields an estimate of \$9.3 million a year going into Idaho's tax coffers, which is more than IDANG costs in state revenues.

## *SUMMARY*

As this Section demonstrates, the Idaho Air National Guard is a powerful economic engine in Idaho, generating \$206 million annually in economic activity and adding \$600,000 worth to each million dollars it spends, creating 2,200 jobs, and contributing in state taxes more than Idaho's share of support for the IDANG.



**Idaho National Guard A-10 Thunderbolt II pilot after a successful mission.**

## ***SECTION IV: ECONOMIC IMPACTS OF IDAHO NATIONAL GUARD CONSTRUCTION PROJECTS***

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### ***INTRODUCTION***

The capital costs of maintenance, construction and asset acquisition are surpassed only by personnel costs in calculating the economic impact of Idaho's National Guard. Capital costs are generally one-time expenditures that occur at Gowen Field, the Orchard Combat Training Center, and facilities around the state.

Gowen Field sits on property owned by the Airport Authority of the City of Boise and used by the Idaho Army National Guard through a permit lease agreement. The Orchard Combat Training Center (OCTC), on the other hand, is located on a combination of federal and state land. The federal land is administered by the Bureau of Land Management (BLM); use is authorized by the Birds of Prey National Conservation Act at no cost to the Guard, and a Memorandum of Understanding between the Guard and the BLM specifies the conditions. For use of approximately 11.5 square miles, or 7,360 acres, of Idaho's state endowment lands, the National Guard pays the Idaho Department of Lands an annual lease fee.

Many of the buildings and other facilities at Gowen Field pre-date the timeframe of this study. In contrast, many of the improvements to the Orchard Combat Training Center are relatively recent.

### ***SUMMARY OF FINDINGS***

Total construction expenditures vary greatly from year to year, from a low of \$1 million one year to nearly \$40 million the following year. Examples of recent construction projects by the Idaho National Guard are Gowen Field Enlisted Barracks and Transient Training facilities, at a

cost of \$9 million, and the Orchard Combat Training Area Digital Air/Ground Integration Range and Railroad Tracks construction over the past three years at a cost of \$51 million.

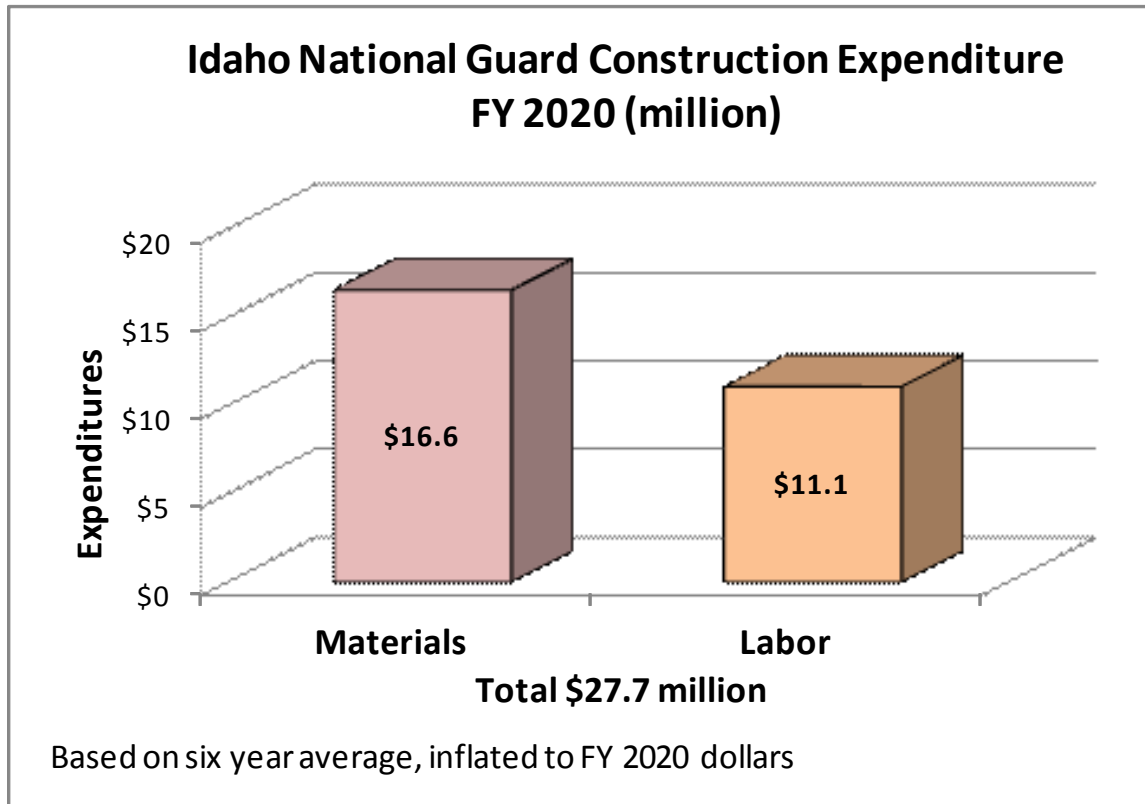
Given the wide disparities from year to year, the approach taken in this study, consistent with previous studies, is to use a reasonable average to measure the construction's economic impact on the State of Idaho. As a starting point, this study uses the 6-year average cost of maintenance and construction statewide found in the 2017 study and adjusts it for inflation, using the Producer Price Index (PPI) from the St. Louis Federal Reserve Bank for new industrial buildings for 2020.



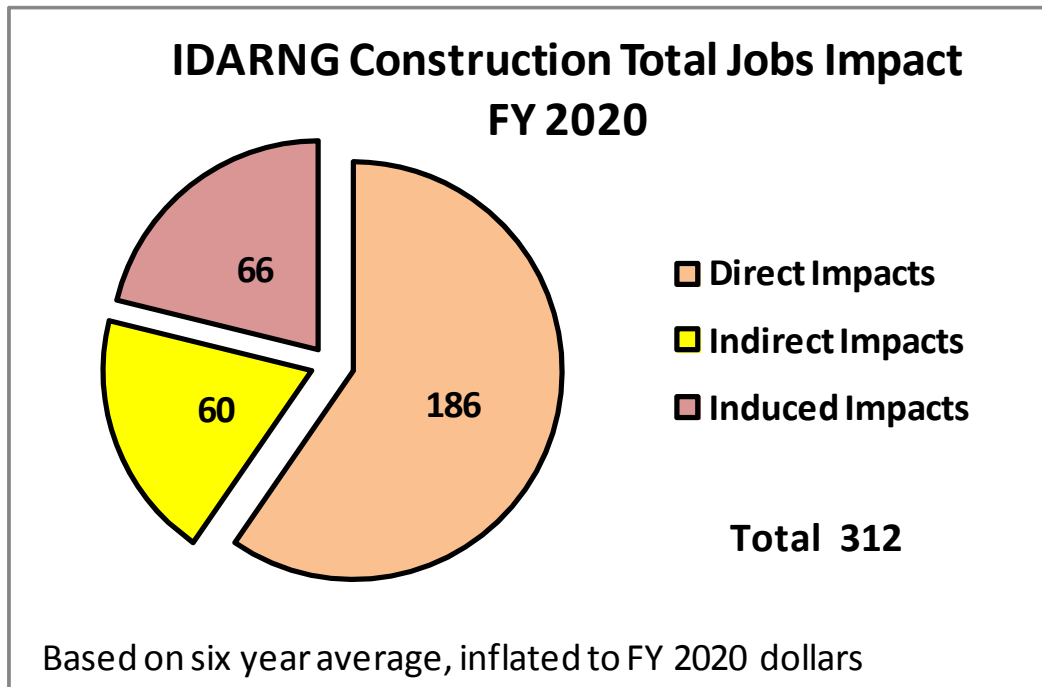
**Idaho National Guard citizen-Soldiers and Airmen conducting construction projects.**

The 2017 study found that over a six-year period, construction expenditures for the Idaho National Guard totaled more than \$100 million, averaging \$23.2 million a year in 2017 dollars. FY 2020, the year of this study, fits this pattern, meaning that the numbers have a high level of reliability.

After correcting for inflation, this study finds that Idaho National Guard construction costs an average of \$27.7 million. That number represents the direct economic impact of Guard construction.

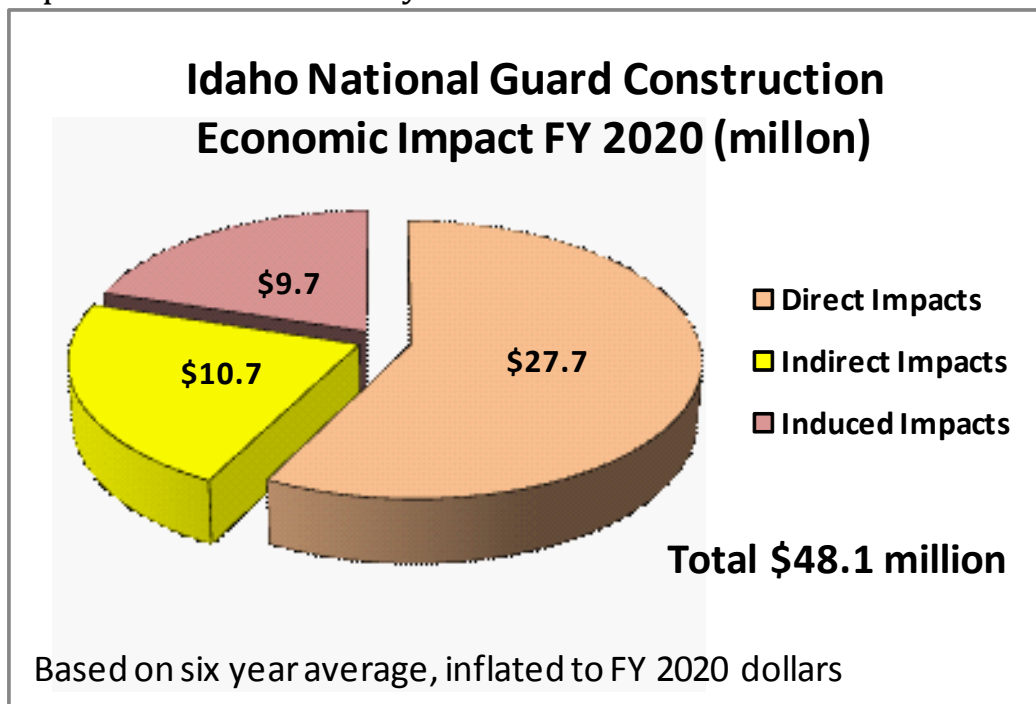


Construction also means jobs, albeit mostly temporary ones but generally well-paying. The study finds that direct construction jobs over a period of six years averaged 186. The IMPLAN model produces an additional indirect impact of 60 jobs and an induced impact of 66 jobs, totaling 312 average jobs per year. The fact that construction totals are consistent over a 6-year period suggests that in any given year the employment impact will be in the range of 300 jobs.



### ***TOTAL IMPACTS***

The indirect economic impact was found to be \$10.7 million per year, with an induced impact of \$9.7 million. These numbers, together with the direct impact of \$27.7 million per year, results in a total average impact of \$48.1 million a year.





### ***FISCAL IMPACT***

Using the conservative formula in which 4.5% of total expenditures translate into tax revenues yields an estimate of \$2.2 million a year going into Idaho's coffers.

### ***SUMMARY***

The Idaho National Guard's construction spending has a direct impact of \$27.7 million and a total impact of \$48.1 million, and is ultimately responsible for about 300 jobs a year in the Idaho economy.

## ***SECTION V: ECONOMIC IMPACTS OF THE IDAHO OFFICE OF MILITARY MANAGEMENT***

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### ***INTRODUCTION***

The Idaho Office of Military Management (OMM) is a state agency funded primarily by federal dollars, most of which are spent in Idaho. The OMM is a component of the Idaho Military Division (IMD) with responsibility for emergency response, public safety communications, and educational outreach.

Under its umbrella are the Office of Emergency Management, the Office of Public Safety Communications, the Idaho Youth ChalleNGe Academy, *STARBASE-Idaho*, and two major grant programs within the Office of Emergency Management.

The missions of the OMM are to maintain combat readiness and state emergency response capabilities, to provide education and training opportunities for Idaho citizens, and to offer rewarding careers to help and encourage Idahoans to live and raise their families here.

This study is based on financial data provided by the IMD and other sources, and uses the Input-Output model IMPLAN, explained in Section I, to project the indirect and induced impacts resulting from direct expenditures of the OMM in Idaho. Unless otherwise indicated, all data are FY 2020 and all economic impact numbers are expressed in 2020 dollars.

### ***SUMMARY OF FINDINGS***

The study finds that in FY 2020, the Office of Military Management spent a total of \$25.4 million in Idaho, with an additional \$12.1 million administered by its two major grant programs. Two-thirds of those

expenditures were for labor, including the 147 state employees within the OMM and the 339 state and local workers across Idaho employed through OMM grant programs.

Once collected, those direct impact figures are fed into the Idaho IMPLAN model, which finds that all told, the Office of Military Management creates a total of 486 full-time, part-time or seasonal jobs, and has a total economic impact on Idaho's economy of \$41.1 million annually.

These numbers indicate that every million dollars the OMM spends in Idaho produces an additional \$700,000 that is generated in the Idaho economy.

### ***DIRECT IMPACTS***

Direct impacts reflect actual expenditures made by the Office of Military Management within the State of Idaho and its economy. The \$22.3 million direct economic impact referenced above can be broken down into OMM's five major programs, and further broken down into labor expenses and materials cost.

***Office of Emergency Management*** - this largely federally-funded program develops and maintains a statewide disaster preparedness plan and trains local government entities on disaster response. It also manages two major grant programs: one for cities, counties and tribes for disaster payroll, equipment and supplies; the other to maintain the 911 emergency system.

***Grant Programs*** - as described above, the OMM's two grant programs are housed within the Office of Emergency Management, but for the purposes of this study we have broken them out. The grants go to tribes, counties and cities to pay for regional disaster response teams.

***Office of Public Safety Communications*** - the employees in this section are scattered around the state. Their mission is to see that emergency

communications work properly all over Idaho; they also manage the state microwave system and make sure safety equipment is up-to-date and standardized.

***Idaho Youth ChalleNGe Academy*** - The Idaho Youth ChalleNGe Academy is a program for teens who have dropped out of school or are at risk of doing so. The free 22-week program is based in Pierce, Idaho. The goal is to give these youth a second chance to become responsible, productive citizens. Since its inception in 2014, the program has served more than 1,300 students. Graduates have earned more than 150 high school diplomas, 130 GEDs and 15,000 high school credits.

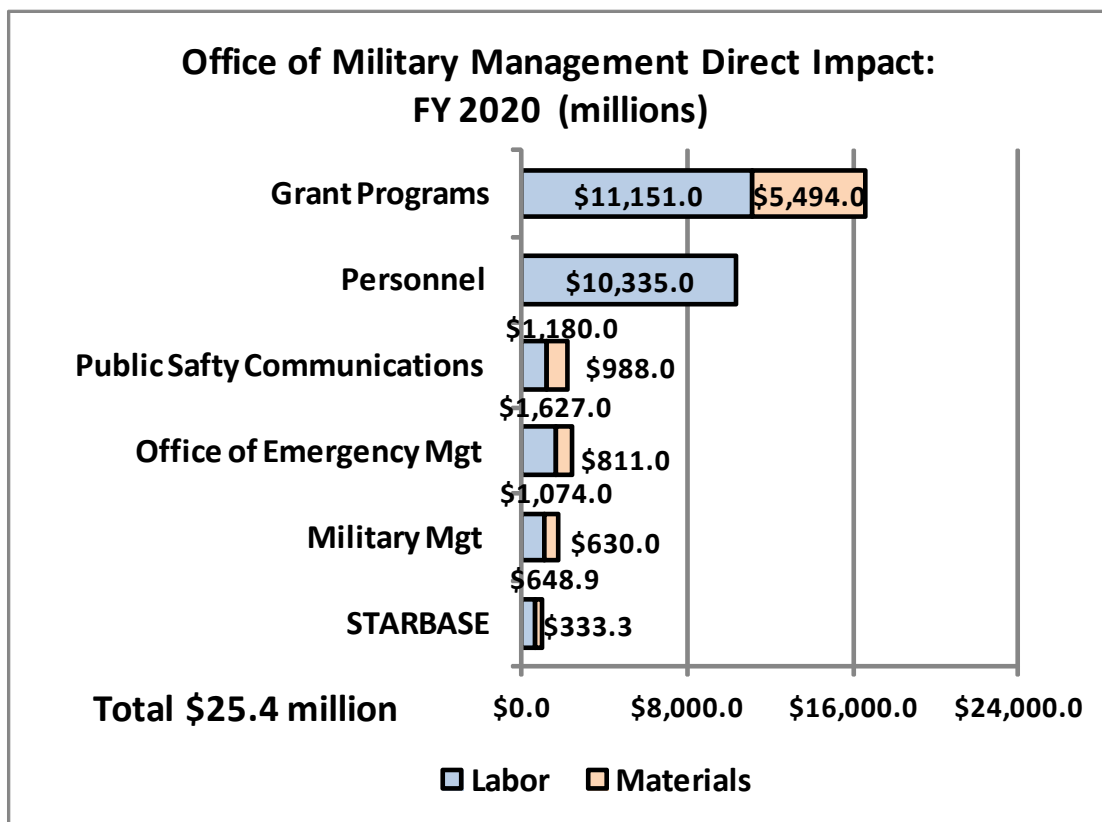


**Idaho Youth ChalleNGe Academy teens eating lunch.**

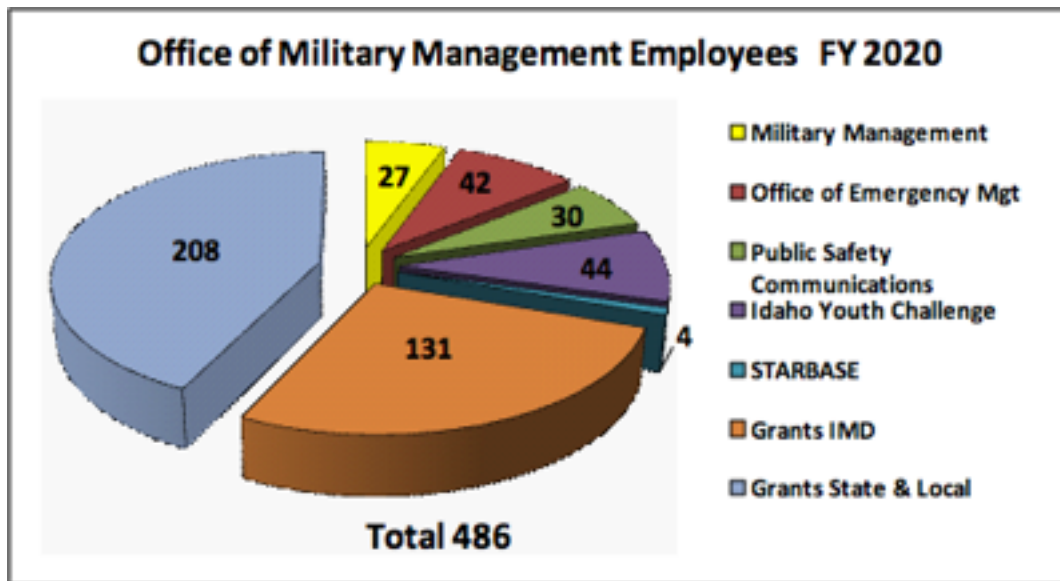
***STARBASE-Idaho*** – This program has no independent budget, but impacts Idaho education. Each year, fifth grade classes from Title 1 schools come to Gowen Field for an intensive, hands-on education in STEM – Science, Technology, Engineering and Math. *STARBASE-Idaho* is funded in part by the U.S. Department of Defense and in part by

charitable donations. Students get 25 hours of experimental activities, including studying Newton's Laws, Bernoulli's Principle, nanotechnology, navigation and mapping. This program is further detailed in Section V.

As the chart below demonstrates, the lion's share of OMM's \$25.4 million in direct impact on the Idaho economy comes in the form of grants for statewide emergency response. These go primarily to cities, counties and tribal governments.



The number of employees of IMD can be broken down by program. The two largest segments are the two grant programs, administered by the Office of Emergency Management for disaster response around the state.



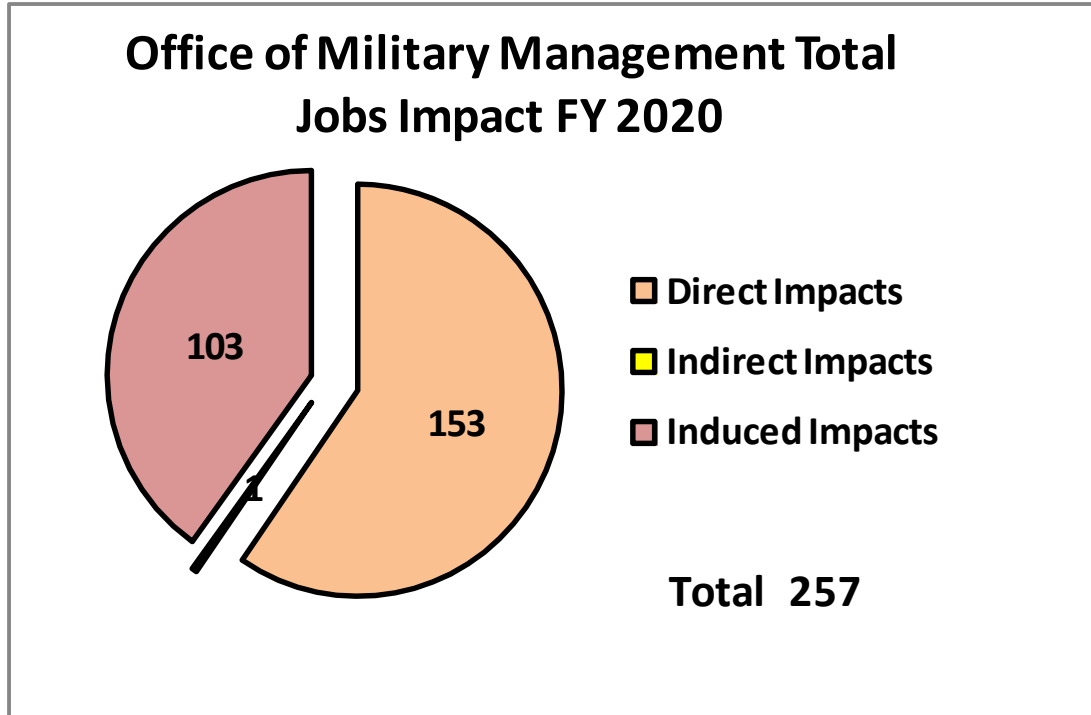
### ***TOTAL ECONOMIC IMPACTS***

When the Office of Military Management's direct spending numbers are fed into the IMPLAN model, the model produces numbers for the indirect and induced economic impacts of the OMM, in the form of multipliers. Indirect impacts can be either backward or forward linkages, depending on whether the impact is created in order to serve the OMM or to handle its product. Since the OMM's product is security and disaster response, its forward linkages are limited.

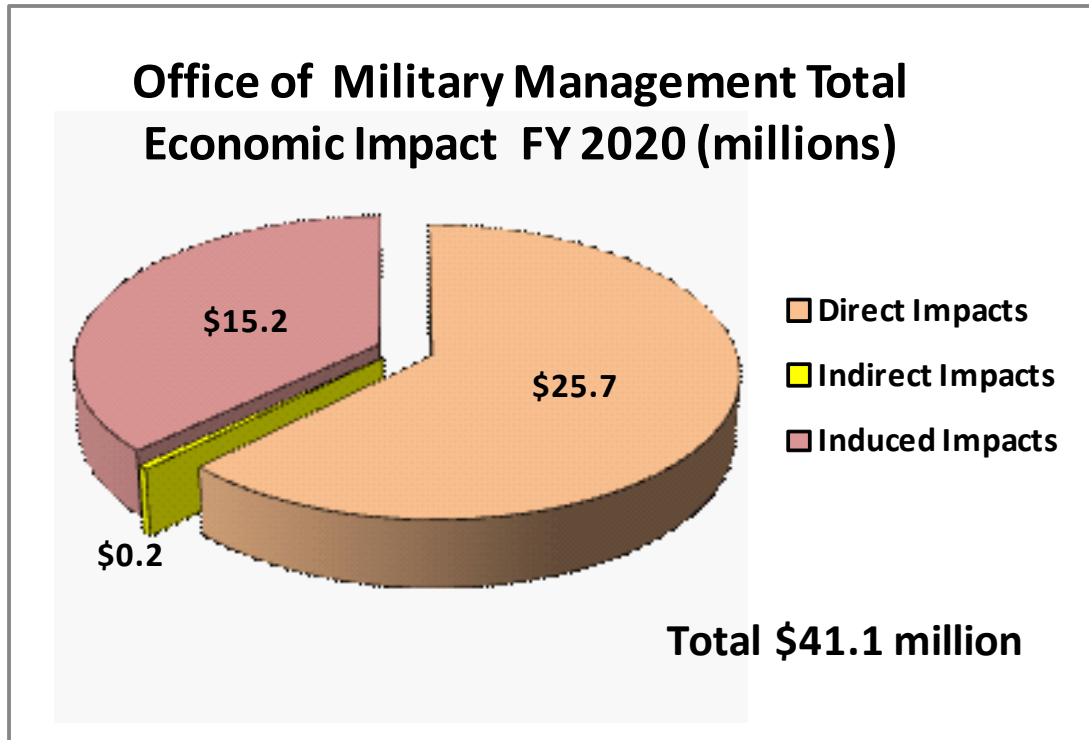
This study finds that the multiplier for these impacts in the OMM's case is approximately 1.7, meaning that for every \$1 million in direct spending generated by OMM, an additional \$700,000 in economic activity is created.



In terms of employment, the study finds that the OMM has a total employee impact of 257 full-time, part-time and seasonal jobs, as shown in the graph below.



When direct, indirect and induced impacts are added together, the study finds that the Office of Military Management has a total economic impact on the State of Idaho of more than \$41.1 million a year.



### ***FISCAL IMPACT***

While a full-scale fiscal analysis is beyond the scope of this study, we can determine that approximately 4.5% of the OMM's total economic impact finds its way to the state's tax coffers. The estimated \$1.8 million generated annually is far more than what the state spends in tax monies to maintain the agency.

### ***SUMMARY***

The study finds that the Office of Military Management spends \$25.4 million, plus another \$12.1 million in grants, to generate a total of \$41.1 million in economic impact on the State of Idaho. It is responsible for 257 jobs, and generates \$1.8 million in Idaho tax revenues.

## SECTION VI: INTANGIBLE IMPACTS

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### INTRODUCTION

While its primary missions are combat readiness, national defense and emergency response, the Idaho National Guard and the Idaho Military Division offer a whole range of non-financial benefits to the state of Idaho. To put it another way, there are intangible as well as tangible impacts, and while this is an economic study, we would be remiss if we did not consider these non-financial benefits as well.

Some of these activities may have small expenditures connected with them, and therefore contribute to the economy, but the financial effect is de minimus and therefore excluded from the economic impact analysis contained in this report.

Many of these activities are ongoing, but the National Guard can also be called up by Gov. Brad Little at any time to help with a myriad of disasters and emergencies. That happened in FY 2020 with regard to the corona virus pandemic.



## ***2020 AND THE COVID-19 VIRUS***

The year 2020 presented unprecedented challenges, primarily caused by the corona virus and its many economic and other impacts on the State of Idaho and the nation. The Idaho Office of Emergency Management's Operations Center was activated early on in the pandemic, participating in the Governor's Corona virus Technical Working Group and his Vaccine Advisory Committee. The Office established a crisis counseling line, and by the end of the year more than 100,000 Idahoans had made use of it. The IMD distributed 250,000 donations of personal protective equipment to health care workers and first responders around the state, and assisted health care facilities with mobile testing, decontamination, COVID-19 screening, and transportation of patients.

Guard members were also deployed to work in overwhelmed food banks and rescue missions around the state, and to help Indian Tribes test their members. The Guard lent barracks space to the Department of Corrections to enable them to house inmates with appropriate social distancing.

## ***ELECTION SECURITY AND CYBERSPACE PROTECTION***

In 2020, the Guard enhanced its Cyber Operations Team and partnered with the Idaho Secretary of State to review its voting system security and help with risk assessments and responses. Some of its members deployed around the country to assist with the 2020 election.

This relationship is ongoing, and will help ensure that Idaho is prepared to address emerging cyberspace threats going forward.

## ***EDUCATIONAL OUTREACH***

The future of Idaho lies in its youth, and the National Guard has a strong commitment to seeing that they succeed. Both the Idaho Youth

ChalleNGe Academy and *STARBASE-Idaho* are dedicated to meeting the needs of some of Idaho's poorest and most at-risk young people and their families.

### ***THE IDAHO YOUTH CHALLENGE ACADEMY***

The Idaho Youth ChalleNGe Academy was created in 2014 to give at-risk Idaho teens a second chance to complete their high school educations. Any 16-18-year-old who has dropped out of school or who is at risk of dropping out is eligible for this free voluntary 22-week intensive residential program, based in Pierce, Idaho.

In 2020, the Academy overcame unique COVID challenges and was able to graduate its classes of more than 130 young men and women. Since its inception, 1,300 cadets have earned more than 150 high school diplomas, 130 GEDs and 15,500 high school credits. Some have finished their high school education at the Academy, while others returned to their regular schools, having caught up with their peers.

During the past year, National Guard soldiers completed reconstruction of a helipad on the Academy grounds, allowing visitors easier access. Materials for the helipad were donated, along with thousands of dollars in new gym equipment.

In each class, about 10% of the students accumulate sufficient credit to graduate with a high school diploma. Another 10% earn their GED certificates, while the remaining 80% complete an average of 14 high school credits and return to their community schools, back on track to graduate with their classes.

In addition to academic studies, the program puts a heavy emphasis on public service. Since 2014, the cadets have completed more than 55,000 hours of service to Idaho communities. About 80 cadets have joined the Idaho National Guard or other military services after graduation from high school.

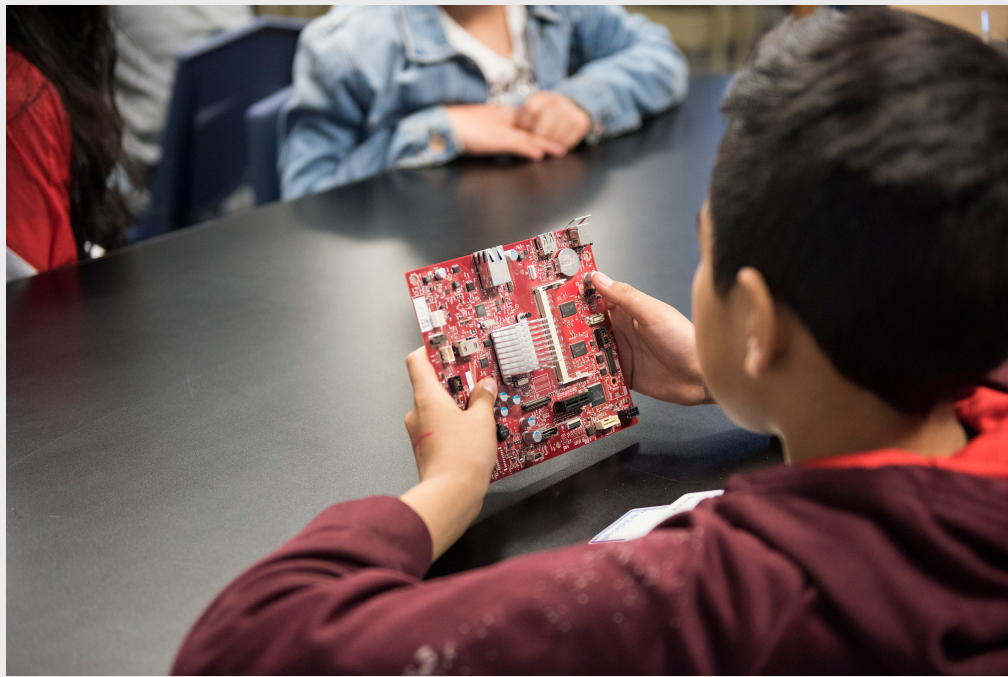


## *STARBASE-Idaho*

The *STARBASE-Idaho* program is designed to give Idaho elementary students from low-income schools hands-on STEM experience to supplement the work of their often-stressed public schools. In 2020, the 25-hour program was expanded to deliver its program directly to classrooms and, when the pandemic made it necessary, via remote access.

Since its inception in 2018, the program has hosted more than 2,000 Treasure Valley fifth-graders, who get “hands-on, minds-on” experience in science, technology, engineering and math. They study and experiment with things like Newton’s laws, nanotechnology, navigation, and mapping.

In November 2020, STARBASE piloted an after-school robotics program in Middleton. Instructors also conducted workshops to help teachers and administrators learn how to teach STEM material and how best to impart it using remote technology.



**STARBASE student working with the STEM curriculum.**

## ***TRAINING WITH LOCAL LAW ENFORCEMENT & FIRST RESPONDERS***

The National Guard values its partnerships with city, county and state law enforcement agencies, and often trains with them.

During 2020, National Guard troops trained with the Boise Police Department, the Nampa Police Department, the Ada Metro SWAT Team, the Meridian Police Department, the Ada County Sheriff's Office, the Gem County Sheriff's Office and Valley County Search and Rescue. The latter involved a simulation of a hiker missing in the mountains.



**Idaho National Guard UH-60 Lakota helicopter conducts rescue training.**

A unique training event occurred in February, when Airmen trained with other military personnel in the care, use and handling of horses. Horses can be useful for search and rescue in terrain where normal methods of transportation won't work.

## *HONORING VETERANS*

The National Guard honors our veterans throughout the year, and celebrates with them on Veterans Day. The celebration had to be remote this year because of COVID, but it was no less heartfelt.

Throughout the year, the Guard regularly visits Idaho's Veteran Home, and organizes a gift drive at Christmas.

One of 2020's special projects was the strengthening of headstones in the Morris Hill Cemetery's Field of Honor. Guard leaders also joined with local, state and federal officials to dedicate the Snake River Canyon National Cemetery in Buhl, Idaho's first national veteran's cemetery.

In November, the Guard teamed up with Idaho Gov. Brad Little, members of Idaho's Congressional delegation and state lawmakers to proclaim Veteran's Day.

## *PROTECTING THE ENVIRONMENT*

The Birds of Prey National Conservation Area (NCA) is one of the only places in the country where wildlife conservation coexists with public land use, grazing and military training, in the form of the Orchard Combat Training Center. The National Guard takes seriously its responsibility to protect and enhance the environment for raptors and the small animals on which they feed.

Conservationists nationwide look to the Idaho Guard's management of the NCA for guidance and example, and in 2014 the U.S. Fish & Wildlife Service awarded it the prestigious Military Conservation Partner Award, given to only one of literally hundreds of such installations in the country, including all branches of service and both active and reserve units.

It was the first National Guard or reserve unit ever to receive the award.

The Guard has actively worked to conserve Idaho's native sagebrush-steppe habitat through research, funding, proactive fire management, and on-going studies of birds of prey and their food sources, including studies on birds of prey food sources such as snakes, ground squirrels and lizards. They regularly record the population and health of each species. They also protect the groundcover on which these animals live, including the slickpot peppergrass, a plant found only in Idaho's Snake River Plain.



**Idaho National Guard citizen-Soldiers and Airmen tag and count rattlesnakes.**

In this venture, the Guard collaborates with local scientists, Boise State University, and federal, state and local agencies toward a common goal of good land stewardship.



## *WORKING WITH AMERICAN INDIAN TRIBES*

The National Guard has a special relationship with Idaho's American Indian Tribes, and regularly takes on much-needed projects in partnership with them.

In 2020, Guard engineers built a road out of an eroded trail on the Duck Valley Indian Reservation, home to the Shoshone-Paiute Tribe. The new 8-mile road provides access to grazing grounds northeast of Owyhee, Nevada.

During the 124th Fighter Wing's deployment to Afghanistan, pilots took a "Warrior Spirit" flag with them, on what turned out to be a critical mission. When they returned, they presented the flag to the Shoshone-Bannock Tribes.

Closer to home, the Guard worked with the Boise City Parks and Recreation Department and the valley's tribes to restore five acres of the Chief Eagle Eye Reserve, formerly known as Quarry View Park.

The Idaho National Guard is a member of the Idaho Council on Indian Affairs, and has a Memorandum of Understanding with the Shoshone-Bannock Tribes to work together to preserve natural and cultural resources on the Orchard Combat Training Center and training sites throughout the State.



## ***RECYCLING***

The National Guard is committed to pollution prevention by using environmental management procedures to improve performance.

Aerosol cans contribute to hazardous waste and therefore to pollution. In 2020, however, the Idaho Air National Guard Environmental Management System (eMS) found a way to recycle these cans to save time and money. A giant red aerosol can crusher was installed last May and has been in use ever since. The machine punctures the aerosol can, drains the hazardous liquid into a bucket and crushes it, making it able to be recycled. Only a tiny amount of hazardous-waste remains.

## ***SERVICE TO NATIONAL GUARD FAMILIES***

The National Guard takes care of its members' families in many ways. The Family Support Fund, for example, offers service members and reservists grants and zero interest loans. Since 2004, the Fund has distributed more than \$2 million to over 1,900 service members and their families.

The Guard also supports families through the Morale, Welfare & Recreation program (MWR). In addition to offering shopping in person and online at its two stores, MWR operates the Gowen Field Activity Center, which can be used for weddings and gatherings as well as small meetings and conferences. Over the past five years, the Sutler Stores alone averaged more than \$1.5 million a year in sales.

The MWR puts on events focused on families and children, including Unit and Joint Family Days, an annual Easter Egg Hunt, Unit Family Dinners, Daddy-Daughter Dances, Marriage Programs, and Educational Opportunities, in addition to operating a gym and conducting teambuilding exercises.

The Child and Youth Program works with the families of military members and reservists. It hosts an annual Snow Bash to teach



resiliency, and this year hosted a drive-in Trunk and Treat safe alternative to traditional Halloween.

## ***PUBLIC EVENTS***

The National Guard places great value on its partnerships within the Idaho community.



Community events inform the public about the Idaho National Guard's missions and activities, and keep the Guard apprised of citizens' needs.

During 2020, the Idaho National Guard and the Idaho Military Division held more than 300

community relations events around the state. They ranged from tours of Gowen Field and local armories, an Employer Day to allow guardsmen's employers to see firsthand what their employees do when they are serving their country, the use of the leadership reaction course and vehicle and weapon simulators at Gowen Field, the involvement of the 25<sup>th</sup> Army Band and the honor guard at public events, and the use of National Guard equipment in parades and aerial flyovers during patriotic holidays and public events.

One special event this year was a flyover in honor of Idaho's health care professionals and other essential workers as they battle the corona virus.



## ***OVERSEAS PARTNERSHIPS***

The Idaho National Guard maintains partnerships not just within Idaho, but with countries around the world as well.

Deployments overseas are an integral part of the job of the National Guard. In 2020, Soldiers and Airmen were deployed to 13 countries, primarily in Southwest Asia. It was the largest deployment for the Guard since 2016.

In 2020 the Idaho Guard participated in the National Guard's State Partnership Program alongside the Royal Cambodian Armed Forces. Idaho soldiers and airmen made several trips to Cambodia to exchange ideas, capabilities, training and experience. Some of the trips focused on first-aid, bridge building, and leadership.

Army aviators also deployed to Guatemala to provide casualty excavation support and equipment transportation for U.S. military engineers and medics who were building local schools and medical clinics.

The Guard also had the privilege of welcoming members of the Royal Moroccan Army, who visited to learn about the equipment of an armored brigade combat team. During their visit, the Moroccan soldiers

observed a night gunnery exercise at the Orchard Combat Training Center, and experienced virtual tank simulators.

## ***SUMMARY***

While an economic price tag can't be placed on many of these activities and partnerships, the Idaho National Guard is a strong and steady presence in the state.

It has direct impacts on most of the Idaho population, including high schoolers, elementary school students, the state's Indian Tribes, veterans, state and local law enforcement agencies, and even countries around the world.

The Idaho National Guard and the IMD offer Idaho much more than just their primary missions of combat readiness and disaster response. Their services are so varied that the IMD is indeed one of the state's premier public service agencies.



**Idaho National Guard citizen-Soldiers and Airmen train at the Orchard Combat Training Center.**

## ***SECTION VII: SUMMARY AND CONCLUSIONS***

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### ***SCOPE AND METHODOLOGY***

This study is designed to determine the economic impact of the Idaho Military Division and its various components, including the National Guard, on the economy of Idaho. It seeks, in other words, to answer the question of how much the IMD contributes to Idaho's economy, and how, therefore, that economy would be affected if the IMD did not exist.

Economic impact is the sum of an entity's direct spending in the designated economy and the indirect and induced impacts that spending has on the whole of that economy. These impacts are determined through an Input-Output model.

Every business has impacts on the economy that go beyond its direct spending. Indirect impact – often referred to by economists as forward and backward linkages, and by the layman as the “supply chain” or the “ripple effect” – is the sum of related spending by contractors who supply the IMD or use its services. An example of indirect impact via forward linkage is a contractor who delivers parts to the National Guard; an example of a backward linkage is a contractor who uses the services of the Office of Military Management. Induced impact comes about when employees of the IMD and employees of its contractors spend their salaries, wages and benefits in the Idaho economy. Total impact, then, is the sum of the IMD's direct spending and the related spending of other entities within the economy.

Just as the IMD has impacts on Idaho's economy, it has impacts on Idaho workers in the form of job creation. IMD jobs create other jobs: the same economic principles apply; direct employment creates indirect and induced employment.



This study uses data supplied by the IMD and other sources and fed through an Input-Output model called IMPLAN. It was conducted between September 1, 2020 and July 31, 2021. Unless otherwise indicated all data is FY 2020, and all economic impacts are expressed in 2020 dollars.

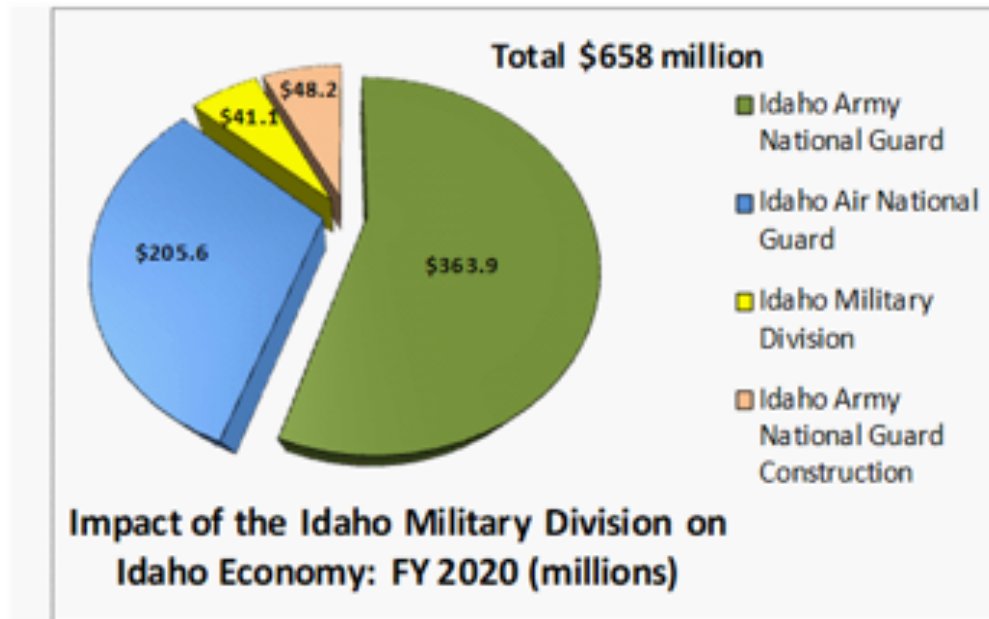
## ***SUMMARY OF FINDINGS***

The IMD is economically unique in that its mission is national security and disaster response, rather than bringing a product to the market. That does not mean, however, that its spending does not create indirect and induced impacts. Indeed, this study finds that the IMD and its components are a significant economic engine within the Idaho economy, responsible for more than \$658 million dollars annually.

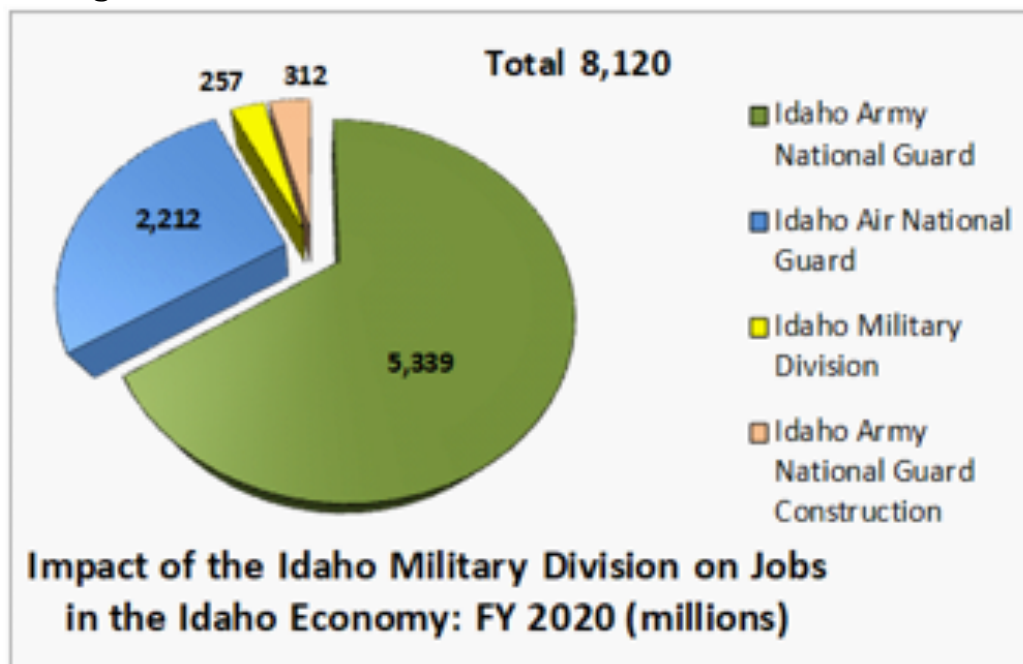
These impacts are derived from the IMD's three major components: the Idaho Army National Guard, the Idaho Air National Guard, and the Idaho Office of Military Management. Each of these is analyzed in an earlier Section. The graphs below represent the total of the three along with construction.

We begin with economic impact in terms of actual dollars. Previous sections have outlined the direct, indirect, and induced impacts of each component. The graph below totals those numbers, coming to a final number of \$658.8 million a year.

<b>TOTAL ECONOMIC IMPACT IDAHO MILITARY DIVISION</b>				
<b>FY 2020 (millions)</b>				
	Direct	Indirect	Induced	Total
Army Guard	\$224.9	\$15.6	\$123.4	<b>\$363.9</b>
Air Guard	\$129.0	\$2.2	\$74.5	<b>\$205.6</b>
Military Management	\$25.8	\$0.2	\$15.2	<b>\$41.1</b>
Construction	\$27.7	\$10.7	\$9.7	<b>\$48.2</b>
<b>TOTAL</b>	<b>\$407.4</b>	<b>\$28.7</b>	<b>\$222.7</b>	<b>\$658.8</b>



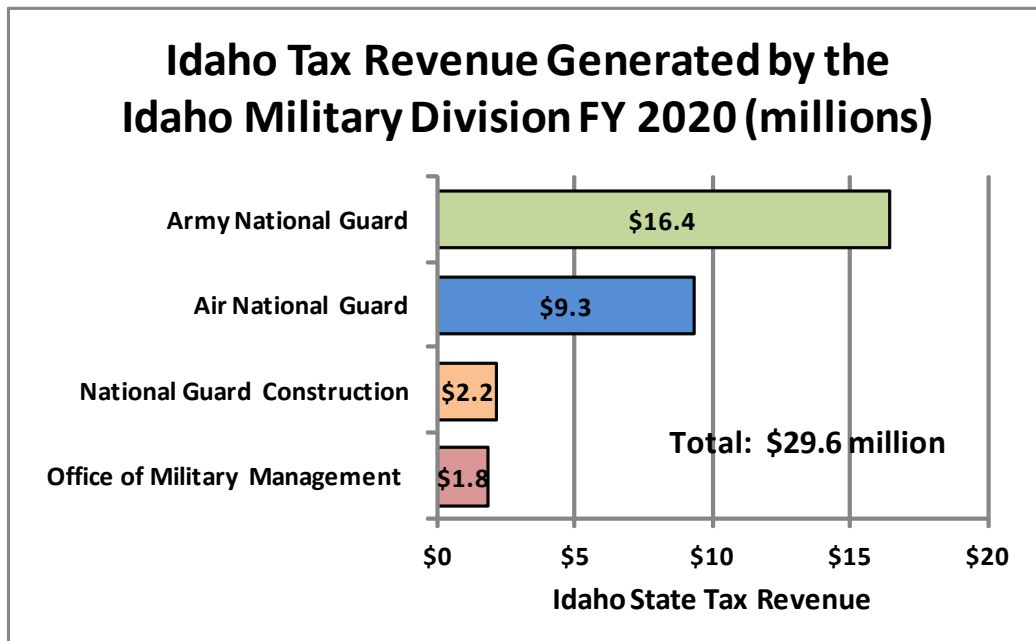
As noted above, economic impacts come in terms of job creation as well as dollar amounts. Previous sections have reported on findings for each of IMD's major components. The graph below summarizes those findings.



Finally, we have estimated the impact of each of IMD's components on Idaho tax revenues. A detailed fiscal analysis is beyond the scope of this project; instead, we divided Idaho's Gross National Product by Idaho's annual tax revenues and arrived at an estimate of 4.5%. This is a bit



more conservative than the 5% figure used in the 2017 study. The graph below lays out the tax revenues that can be expected to accrue from the IMD and its components each year.



In all, the study found that the Idaho Military Division, and the National Guard in particular, are economic engines of significant magnitude within the Idaho economy: more than two-thirds of a billion dollars a year, almost 8,600 jobs, and tax revenues in excess of \$29 million a year.

Both financially and in terms of commitment to Idaho citizens, the Idaho Military Division is one of the state's premier public service agencies.

